

## DEPARTMENT OF FINANCIAL INSTITUTIONS

TEXT OF PROPOSED REGULATIONS TO BE ADOPTED INTO  
SUBCHAPTERS 5, 60, AND 95 OF CHAPTER 1 OF TITLE 10 OF THE  
CALIFORNIA CODE OF REGULATIONS

## 1. Adopt Sections 5.6132 - 5.6136, inclusive:

**§ 5.6132. Application for Authority to Appoint an Agent (Financial Code Section 1803.5)**

(a) Initial review period: 21 days

(b) Decision period: 45 days

(c) Median, maximum, and minimum periods: \_\_\_\_ days, \_\_\_\_ days, and \_\_\_\_ days.

**NOTE:** Authority cited: Section 15376, Government Code. Reference: Section 15376, Government Code.**§ 5.6133. Application for Approval to Establish Branch Office of Licensee (Financial Code Section 1805)**

(a) Initial review period: 21 days

(b) Decision period: 60 days, or if the decision period is extended by the Commissioner, the last day of the extended period.

(c) Median, maximum, and minimum periods: \_\_\_\_ days, \_\_\_\_ days, and \_\_\_\_ days.

**NOTE:** Authority cited: Section 15376, Government Code. Reference: Section 15376, Government Code.**§ 5.6134. Application for Approval to Establish Branch Office of an Agent of a Licensee (Financial Code Section 1803.5 and 1805)**

(a) Initial review period: 21 days

(b) Decision period: 60 days, or if the decision period is extended by the Commissioner, the last day of the extended period.

(c) Median, maximum, and minimum periods: \_\_\_\_ days, \_\_\_\_ days, and \_\_\_\_ days.

**NOTE:** Authority cited: Section 15376, Government Code. Reference: Section 15376, Government Code.**§ 5.6135. Application for Approval of Receipt Form (Financial Code Section 1809)**

(a) Initial review period: 21 days

(b) Decision period: 45 days

(c) Median, maximum, and minimum periods: \_\_\_\_ days, \_\_\_\_ days, and \_\_\_\_ days.

**NOTE:** Authority cited: Section 15376, Government Code. Reference: Section 15376, Government Code.**§ 5.6136. Application for Approval to Acquire Control of a Licensee (Financial Code Section 1804)**

(a) Initial review period: 21 days

(b) Decision Period: 90 days

(c) Median, maximum, and minimum periods: \_\_\_\_ days, \_\_\_\_ days, and \_\_\_\_ days.

**NOTE:** Authority cited: Section 15376, Government Code. Reference: Section 15376, Government Code.

2. **Adopt Sections 60.1 - 60.7416, inclusive:**

**Subchapter 60. Transmitters of Money Abroad**

**Article 1. General Provisions**

**Subarticle 1. Citation and Construction**

**§60.1. Scope.**

- (a) This Subchapter contains regulations relating to transmitters of money abroad.
- (b) This Article contains general provisions relating to this Subchapter.
- (c) This Subarticle contains regulations relating to the citation and construction of this Subchapter. Subarticle 2 (commencing with Section 60.100) of this Article contains regulations relating to definitions for the Transmitters Law. Subarticle 3 (commencing with Section 60.500) contains regulations relating to definitions for this Subchapter.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§60.2. Citation.**

- (a) This Subchapter shall be known and may be cited as the "Transmitters Regulations."
- (b) The first unit of the number of each section in this Subchapter is "60." However, in citing a section in this Subchapter, a person may omit the first unit of the number of such section if it is clear that such person is referring to a section of this Subchapter.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.3. References to Financial Statements and Accounting Items.**

In this Subchapter, unless otherwise expressly provided, references to financial statements and references to assets, liabilities, income, shareholders' equity, and similar accounting items mean financial statements and accounting items prepared or determined in conformity with generally accepted accounting principles then applicable, fairly presenting in conformity with generally accepted accounting principles the matters which they purport to present, subject to any specific accounting treatment required by the Commissioner, this Subchapter, the Transmitters Law, or any other applicable law.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.4. Filing of Financial Statements.**

Whenever the Commissioner or this Subchapter requires that a financial statement be filed with the Commissioner but does not require that the financial statement be set forth on a form provided by the Commissioner, if an audited financial statement prepared by an independent certified public accountant or independent public accountant is available, the audited financial statement shall be filed with the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

#### **§ 60.5. Actions of Courts and Governmental Agencies.**

Whenever this Subchapter requires that information be provided regarding an action taken by a court or a governmental agency, information need not be provided regarding any action which has been reversed or vacated by a court or governmental agency.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

#### **§ 60.6. Fingerprints.**

Whenever this Subchapter requires that fingerprints be submitted for the purpose of obtaining criminal history information, the following apply:

(a) In case any person who is required to submit his or her fingerprints is not a resident of California, the person may submit a written request to the Commissioner for approval of an alternative method of providing criminal history information. The written request shall provide the name and address of the person making the request, the proposed method of providing the Commissioner with the required information, and the name, address, and telephone number of the governmental or law enforcement agency that will be providing the information.

(b) Each person who is required to submit his or her fingerprints, shall be responsible for the payment of any fees or charges required to be paid any governmental or law enforcement agency, providing criminal history information.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Chapter 1, Division 1, Financial Code; Section 11105(e) Penal Code.

### **Subarticle 2. Definitions - Transmitters Law**

#### **§ 60.100. Scope.**

This Subarticle defines terms for the Transmitters Law.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

#### **§ 60.101. Advertise or Advertisement.**

"Advertise" or "advertisement" means any oral or written communication used by a licensee for the purpose of promoting its money transmission business or soliciting money transmission business, including any communication by means of newspapers, magazines, circulars, radio, television, internet, recorded telephonic messages, or similar communication media, but does not include exterior and interior signs on the premises of an office of a licensee or an agent of a licensee referred to in Section 1815(b).

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1810.5 and 1815, Financial Code.

#### **§ 60.102. Controlling Person.**

"Controlling person" means any person that controls (as defined in Financial Code Section 700(b)) another person, directly or indirectly through one or more intermediaries.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1800.7 and 1804, Financial Code.

#### **§ 60.103. Foreign Country.**

"Foreign country" has the same meaning as foreign nation defined in Financial Code Section 139.3.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1800, 1800.5, 1805, 1810, 1810.5, 1816, and 1823, Financial Code.

**§ 60.104. Headquarter Office or Head Office.**

When used with respect to an office of a licensee, "headquarter office" or "head office" means the principal place of business of the licensee. When used with respect to an office of an agent of a licensee, "headquarter office" means the principal place of business of the agent.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1801, 1805, 1807, and 1822, Financial Code.

**§ 60.105. Officer.**

For the purposes of Financial Code Section 1800.5 and Section 60.7403 of these regulations, "officer" includes the president, the chief executive officer, the secretary, the chief financial officer, any executive vice-president with primary responsibility over a principal business function (such as sales, administration, or finance), or any other person who performs similar management functions as these persons. In the case of any licensee, any applicant for a license, any agent or any proposed agent of a licensee, "officer" includes the individual who is or who will be in charge of the money transmission business of the licensee or agent.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1800.5, Financial Code.

**Subarticle 3. Definitions - Transmitters Regulations**

**§ 60.500. Scope.**

This Subarticle contains definitions for this Subchapter. Subject to additional definitions contained in this Subchapter which are applicable to specific provisions of this Subchapter and unless the context otherwise requires, the definitions in this Subarticle apply throughout this Subchapter.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.501. Definitions Incorporated by Reference.**

In addition to the definitions contained in this Subarticle, the definitions contained in Chapter 1 (commencing with Section 99) of Division 1 of the Financial Code, the Transmitters Law, and Subarticle 2 of this Article shall apply throughout this Subchapter.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.502. Affiliate.**

"Affiliate," when used with respect to a particular person, means any person that controls, is controlled by, or under common control with, the person, directly or indirectly through one or more intermediaries.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.503. Associate.**

"Associate," when used to indicate a relationship with a particular person that is related to a licensee or applicant for a license, means:

(a) Any corporation or other organization (other than the licensee or applicant, or a majority-owned subsidiary of the licensee or applicant) of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities of the corporation or other organization.

(b) Any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as a trustee or in any similar fiduciary capacity.

(c) Any relative or spouse of the person, or any relative of such spouse, who has the same home as the person or who is a director or officer of the licensee or applicant or of any parent or subsidiary of the licensee or applicant.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.504. Average Daily Transmission Liability.**

"Average daily transmission liability" for a specified time period means the average dollar amount of transmission money received in this state for which a licensee is liable per day of that time period, calculated as follows:

(a) For the first day of the specified time period for which an average daily transmission liability is being calculated, determine the total dollar amount of transmission money received by the licensee and agents of the licensee on that day. Add this total to any outstanding balance of transmission money for which the licensee remains liable as of the close of business on the day prior to the first day. For example, the outstanding balance of transmission money as of the close of business on the last day of the previous month is the beginning balance for the current month.

(b) For the first day, determine the total dollar amount of transmission money for which transmissions were completed or for which refunds were made to customers.

(c) For the first day, determine the difference between the amount determined under Subdivision (a) and the amount determined under Subdivision (b). This difference represents the daily balance of transmission money for which the licensee is liable. In case more money was transmitted or refunded than was received, the difference should be a negative amount.

(d) Repeat the calculations described in Subdivisions (a), (b), and (c) for the second day. Add the amount determined under Subdivision (c) for the second day to the daily balance for the first day to arrive at the daily balance for the second day.

(e) Repeat the calculations described in Subdivisions (a), (b), and (c) for each successive day of the time period. The amount determined under Subdivision (c) for a successive day shall be added to the daily balance of the previous day. For any day that no transmission money was received, transmitted, or refunded, carry forward the daily balance of the prior day.

(f) Add all of the daily balances for each day of the time period.

(g) Divide the total amount calculated under Subdivision (f) by the total number of days in the time period. The result of this division is the average daily transmission liability for the time period.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.505. Beneficial.**

"Beneficial," when used to describe the ownership interest of a particular person, includes, in addition to direct and indirect beneficial ownership by the person, direct and indirect beneficial ownership:

(a) By the spouse (except where legally separated) and minor children (including stepchildren and adopted children) of the person; and

(b) By any other relative of the person, including any adult child, who has the same principal place of residence as the person.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.506. California Corporation.**

"California corporation" means a corporation which is organized under the laws of the State of California.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.507. Domiciliary Jurisdiction.**

"Domiciliary jurisdiction" means (1) the state in the United States, or (2) the foreign country if not in the United States, under whose authority a foreign corporation is incorporated, organized, or chartered.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.508. Equity Security.**

"Equity security" means any stock or similar security, or any security convertible, with or without consideration, into any such security, or any security carrying any warrant or right to purchase any such security, or any such warrant or right of that type.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.509. Extend Credit.**

(a) To "extend credit" to a person includes all the following:

- (1) To make or renew a loan to the person.
- (2) To purchase a security or other asset from the person under a repurchase agreement.
- (3) To acquire a note, draft, contract, or similar instrument with respect to which the person is liable, whether as maker, endorser, guarantor, or otherwise.
- (4) To guarantee or become a surety upon an obligation with respect to which the person is an obligor or obligee.

(b) Notwithstanding the provisions of Subdivision (a) of this section, to "extend credit" to a person does not include:

(1) In case the person extending credit is a licensee and the person to whom credit is extended is an agent of the licensee, any amount due from the agent to the licensee on account of sales of money transmission instruments or on account of funds received by the agent on behalf of the licensee in connection with transactions to transmit money abroad.

(2) In case the person extending credit is a financial institution, the giving of immediate credit upon uncollected items deposited in the ordinary course of business.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.510. Fidelity Bond.**

"Fidelity bond" means a bond issued by an insurer under which the insurer agrees to indemnify a person against any loss arising from fraud, dishonesty, and defalcation of an officer, director, or employee of the person.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.511. Financial Institution.**

"Financial institution" includes a state or national bank, a state or federal savings association, a savings bank, a state or federal credit union, an industrial bank, or a thrift and loan company.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.512. Foreign Corporation.**

"Foreign corporation" means any corporation other than a California corporation.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial

Code.

**§ 60.513. Governmental Agency.**

"Governmental agency" means any office, officer, department, division, bureau, board, agency, commission, or licensing authority of the federal government or of any state or local government.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.514. License.**

"License" means a license issued by the Commissioner under the Transmitters Law to a corporation which authorizes the corporation to engage in the business in California of transmitting money to foreign countries.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.515. Money Transmission Business.**

"Money transmission business" means the business of receiving money for the purpose of transmitting the same or its equivalent to foreign countries.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.516. Money Transmission Instrument.**

"Money transmission instrument" means a check or draft meeting the requirements of Financial Code Section 1800.5(a)(3).

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.517. Money Transmitter.**

"Money transmitter" means a person who engages in the business of receiving money for the purpose of transmitting the same or its equivalent to a foreign country, but does not include any person described in Financial Code Section 1800.3(b).

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.518. Parent.**

"Parent," when used with respect to a particular person (other than an individual), means any person (other than an individual) which controls the person, directly or indirectly through one or more intermediaries.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.519. Person.**

"Person" means any individual, proprietorship, joint venture, partnership, trust, business trust, syndicate, association, joint stock company, limited liability company, corporation, government agency of any government, or any other organization or group of persons acting in concert.

**§ 60.520. Records.**

"Records" includes books, accounts, correspondence, memoranda, reports, and any other documents as determined by the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.521. Refund Notice.**

"Refund notice" means the written statement required by Financial Code Section 1810.5

which is provided by a licensee or an agent of a licensee to persons advising them of their right to a refund of transmission money.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.522. Reporting Company.**

"Reporting company" means a person (other than an individual) which meets all of the following:

(a) A class of the equity securities of the person is registered pursuant to Section 12 of the Securities Exchange Act of 1934 and regulations of the Securities and Exchange Commission issued thereunder.

(b) The person is required to file reports and other documents under Sections 13 and 14 of the Securities Exchange Act of 1934 and the regulations of the Securities and Exchange Commission issued thereunder, has filed all documents so required to be filed for the last three years (or, if the person was subject to the requirements for less than the last three years, for any lesser period), and has filed all documents so required to be filed in a timely manner for the last one year (or, if the person was subject to the requirements for less than the last one year, for any lesser period).

(c) In case the person or subsidiary of the person is subject to Section 60.7413 of this Subchapter, the person or the subsidiary has filed with the Commissioner all documents required to be filed under Section 60.7413 for the last three years (or if the person or the subsidiary was subject to Section 60.7413 for less than the last three years, for any lesser period), and has filed with the Commissioner all documents required to be filed in a timely manner for the last one year (or, if the person was subject to Section 60.7413 for less than the last one year, for any lesser period).

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.523. Security.**

"Security" has the meaning set forth in Corporations Code Section 25019.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.524. Significant Court or Governmental Agency Action.**

"Significant court or governmental agency action," when used with respect to a particular person or persons, means any proceeding or matter before any court or governmental agency of any of the following types:

(a) A refusal to grant the person any license or other authorization to engage in any profession, occupation, or other business activity.

(b) An action to suspend or revoke any license or other authorization of the person to engage in any profession, occupation, or other business activity.

(c) An action to temporarily or permanently prohibit the person from transacting any business, or from engaging in any conduct or practice, with respect to a profession, occupation, or other business, or to impose any monetary or other penalty for any reason.

(d) An application by the person for relief under any bankruptcy, reorganization, insolvency, or moratorium law.

(e) An application made by a third party for the appointment of a receiver, fiscal agent, or similar officer, or for other relief of the kind described in Subdivision (d) above with respect to the person.

(f) An action in which the person has consented to or suffered a judgment in any civil action in connection with the profession, occupation, or other business activity of the person.

(g) An action in which the person has been convicted of, pleaded nolo contendere to, or is being charged with any felony.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.



**§ 60.525. Subsidiary.**

"Subsidiary," when used with respect to a particular person (other than an individual), means any person (other than an individual) controlled by the person, directly or indirectly, through one or more intermediaries.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.526. Surety Bond.**

"Surety bond" means a surety bond substantially in the form of Department Form 2120 which is executed by an insurer or other entity that is satisfactory to the Commissioner and licensed by the Department of Insurance to engage in the surety insurance business in California.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**§ 60.527. Voting Securities.**

"Voting securities" means securities of a corporation the holders of which are presently entitled to vote for the election of directors.

**Note:** Authority cited: Section 215, Financial Code. Reference: Chapter 14, Division 1, Financial Code.

**Article 2. Issuance of License to Engage in Money Transmission Business**

**Subarticle 1. General Provisions**

**§ 60.2000. Definitions and Scope.**

(a) In this Article, "applicant" means a corporation that is applying to the Commissioner for a license.

(b) In this Article, "application" means an application filed by an applicant with the Commissioner.

(c) This Article contains regulations relating to the issuance of a license. This Subarticle contains general provisions relating to this Article. Subarticle 2 (commencing with Section 60.2100) of this Article contains regulations relating to an application for a license. Subarticle 3 (commencing with Section 60.2200) of this Article contains regulations relating to matters after an application for a license is approved.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**Subarticle 2. Contents of Application**

**§ 60.2100. Scope.**

This Subarticle contains regulations relating to an application for a license.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2101. Included Application.**

An application for a license shall be deemed to include an application for the Commissioner's approval pursuant to Financial Code Section 1809 of each receipt form proposed to be used by the applicant which is filed with the application in accordance with Section 60.2115(e) of this Article. Approval of the application for a license shall be deemed to include approval of each receipt form filed with the application, unless otherwise provided in the Commissioner's approval.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1802 and 1809, Financial Code.

**§ 60.2102. Facing Page.**

An application shall have as its first page a facing page in the form of Department Form 2110 (10 C.C.R. Section 95.6010) and shall provide the information called for therein. The application shall be signed by a duly authorized officer of the applicant and shall be verified by the same officer, where indicated on the facing page.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2103. Additional Information.**

An application shall contain, in addition to the information contained in the facing page, the information called for in Sections 60.2104 through 60.2121, in a form which complies with the following:

(a) The information contained in the application shall be clearly indexed to the section, subdivision, paragraph, and subparagraph to which the information is responsive.

(b) The applicant shall provide a response to each section, subdivision, paragraph, and subparagraph. In case the informational requirements of any section, subdivision, paragraph, or subparagraph are not applicable, the applicant shall provide a response to that effect.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2104. Information Regarding Board Authorizations.**

Provide copies of resolutions of the applicant's board of directors which have been certified by the Secretary or by an Assistant Secretary of the applicant and which do all the following:

(a) Authorize the applicant to file the application for a license.

(b) Authorize the Commissioner to examine the applicant in connection with the application.

(c) Authorize and direct all directors, officers, and employees of the applicant and any person having custody of any of the records of the applicant, to furnish information to the Commissioner and permit the Commissioner to inspect and copy records relating to the applicant, as the Commissioner may request.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2105. Written Authorization for Access to Information.**

Provide a written authorization in the form of Department Form 2111 (10 C.C.R. Section 95.6015) signed by, and for, the applicant, authorizing the Commissioner to obtain information regarding the applicant from financial institutions, governmental agencies, and business references.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2106. Information Regarding Applicant's History and Business.**

(a) Provide a summary of the history of the applicant, including, but not limited to, the date and place of incorporation or organization, any change in the applicant's corporate name, each type of business in which the applicant was previously engaged, and the address of the principal place of business for each business.

(b) Provide a description of each type of business in which the applicant is engaged, including, but not limited to, the type of business, the date such business commenced, and the principal place of business of the business. In case the applicant has been or is now engaged in the money transmission business in California without first obtaining a license from the Commissioner, the applicant shall provide a statement as to the length of time the applicant has been engaged in the money transmission business in California, the total dollar amount of transmission money received, the total dollar amount of transmission money transmitted, and a statement of the reason or reasons that applicant did not obtain a license.

(c) In case the applicant is acting, or has ever acted, as an agent of another person engaged in the money transmission business, provide all of the following for each person:

(1) The name and principal place of business of the person.

(2) The approximate dates during which the applicant acted or has acted as agent.

(3) The approximate monthly average of funds received by the applicant as agent for the person.

(d) In case the applicant has any subsidiaries, provide all the following for each subsidiary:

(1) The name of the subsidiary.

(2) The address of the principal place of business of the subsidiary.

(3) The type of business entity, and the date and place of incorporation or organization of the subsidiary.

(4) The nature and extent of the controlling interest of the applicant in the subsidiary.

(e) State the reasons underlying the applicant's decision to engage in the money transmission business in California.

(f) Provide the names, street and mailing addresses, and telephone numbers of references for the applicant, including at least two financial institutions and two business entities. With respect to each financial institution reference, the applicant shall identify the type of account and provide the account number for each account held by the applicant with the financial institution.

(g) In case the applicant or any subsidiary of the applicant is or has been a party to any significant court or governmental agency action as defined in Section 60.524 of this Subchapter, a detailed description of the circumstances of each action, including all of the following:

- (1) The title of proceeding.
- (2) The name and address of the court or governmental agency.
- (3) The names of the principal parties to the proceeding.
- (4) The date the proceeding was commenced.
- (5) The factual basis alleged to underlie the proceeding.
- (6) The relief sought in the proceeding.
- (7) The status of the proceeding.

(8) In case the action is no longer pending, a description of any judgment, decision, verdict, or other disposition of the action.

(h) In case the applicant or any subsidiary of the applicant has had a bond refused or revoked, a detailed description of the circumstances of such refusal or revocation.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2107. Information Regarding Corporate Matters.**

(a) Provide a copy of the applicant's articles of incorporation, as amended to the date of the filing of the application and certified by the Secretary of State of the State of California. In case the applicant is a foreign corporation, the corporate document which is equivalent to articles of incorporation shall be filed and shall be certified by the appropriate agency of the domiciliary jurisdiction.

(b) In case the applicant is a California corporation, provide a Certificate of Good Standing issued by the Secretary of State of the State of California as of a date within 30 days before the filing of the application certifying that applicant is a corporation which is duly organized, subsisting, and in good standing under the laws of the State of California.

(c) Provide a copy of the bylaws of the applicant, certified as current and accurate by the Secretary or an Assistant Secretary of the applicant.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2108. Information Regarding Securities.**

With respect to securities of the applicant which are issued and outstanding or which are proposed to be issued, provide both of the following:

- (a) A description of each type of security.

(b) A statement of the number of shares of each security which are issued and outstanding and the number of shares which are proposed to be issued.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2109. Information Regarding Extensions of Credit.**

In case any person has made a commitment to extend credit to the applicant, and the commitment continues to be outstanding, identify the person who has made the commitment to extend credit, describe the terms of the commitment, and state whether the applicant plans to incur any debt or other obligation thereunder.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2110. Information Regarding Pending or Potential Legal Proceedings.**

(a) For purposes of this Section:

(1) A proceeding involving an applicant or a subsidiary of the applicant shall not be deemed to be material:

(A) If the proceeding is ordinary routine litigation incidental to the business of the applicant or of the subsidiary; or

(B) If the proceeding involves primarily a claim for damages and if the amount of damages claimed against the applicant or the subsidiary does not exceed 10 percent of the current assets of the applicant and its subsidiaries on a consolidated basis.

(2) Notwithstanding the provisions of Paragraph (1) of this Subdivision, any proceeding in which an affiliate of the applicant or a person who is, or who is an associate of, a director, officer, or five percent voting security owner of the applicant, is a party adverse to, or has an interest adverse to the applicant or a subsidiary of the applicant is deemed material.

(b) In case the applicant is not a reporting company and has not elsewhere included the information in the application, if the applicant or a subsidiary of the applicant is a party to, or any property of the applicant or of a subsidiary of the applicant is the subject of, any material proceeding pending before any court or governmental agency, describe the proceeding, including all of the following:

(1) The title of proceeding.

(2) The name and address of the court or of the governmental agency before which the proceeding is pending.

(3) The names of the principal parties to the proceeding.

(4) The date the proceeding was commenced.

(5) The factual basis alleged to underlie the proceeding.

(6) The relief sought in the proceeding.

(7) The status of the proceeding.

(c) In case the applicant is not a reporting company, if the applicant is aware of any material proceeding which may be brought by a governmental agency and which may involve the applicant or a subsidiary of the applicant, or the property of the applicant or of a subsidiary of the applicant, describe such proceeding, including information comparable to the information called for in Paragraphs (1) to (7), inclusive, of Subdivision (b) of this Section to the extent known to the applicant.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2111. Information Regarding Other Licenses.**

In case the applicant has been issued any license, certificate of authority, or other authorization to engage in any business, profession, or occupation, by any governmental agency within or outside the United States, provide all the following with respect to each license:

(a) The name, address, and telephone number of the governmental agency that issued the license.

(b) The name and citation of the law pursuant to which the license was issued.

(c) The type of license and the type of business which the applicant is authorized to transact under the license.

(d) Any material conditions to which the license or other authorization is subject.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2112. Information Regarding the Applicant's Marketing Plan.**

(a) Describe the geographical area in California where the applicant proposes to engage in the money transmission business.

(b) Identify the foreign countries to which the applicant proposes to transmit money, and for each county state all of the following:

(1) Number of residents of area identified in (a) who are immigrants from the foreign country and/or who can reasonably be expected to transit money to the foreign country.

(2) Average amount of money to be transmitted to the foreign country on a monthly basis.

(c) Describe the applicant's plan for establishing its money transmission business and for achieving a share of the money transmission business in the area identified in Subdivision (a) of this Section.

(d) Include a detailed description of the competition. Describe what will be required in terms of personnel, office space and equipment, and working capital as of the commencement of applicant's money transmission business in order to implement the marketing plan described in Subdivision (b) of this Section.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2113. Information Regarding California Offices and Agents.**

With respect to the conduct of money transmission business by the applicant, in case the applicant has or plans to have offices (other than its head office) or agents within California, provide all of the following:

(a) The number of offices of the applicant currently has located in California, the address of each office, and a brief description of the type of business conducted at each office.

(b) The estimated number of offices of the applicant that the applicant plans to have in California as of the end of the first year after receiving a license, and the city or county in which each planned office will be located.

(c) The total number of offices of agents which the applicant currently has in California, the address of each office, and a brief description of the type of business conducted at each office.

(d) The estimated number of offices of agents that the applicant plans to have in California as of the end of the first year after receiving a license, and the city or county in which each planned office will be located.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2114. Information Regarding Offices and Agents Outside California.**

In case the applicant has or plans to have offices or agents in any state of the United States other than California in connection with its money transmission business, provide all the following:

(a) The number of offices which the applicant currently has which are located in a state of the United States other than California, the city and state in which each office is located, and a brief description of the type of business conducted at each location.

(b) The number of offices which the applicant estimates it will have in states of the United States other than California as of the end of one year after receiving a license.

(c) The number of offices of agents of the applicant which currently are located in a state of the United States other than California, the city and state in which each office is located, and a brief description of the type of business conducted at each location.

(d) The number of offices of agents which the applicant estimates it will have in states of the United States other than California as of the end of one year after receiving a license.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§ 60.2115. Information Regarding Operations.**

(a) For the foreign countries identified under Section 60.2112 above state all of the following:

(1) The legal requirements which the applicant must satisfy in order to transmit money to

that country.

(2) Whether the applicant has already satisfied the legal requirements.

(3) What actions are being taken by the applicant to satisfy the legal requirements, and the anticipated date the applicant will satisfy the requirements.

(b) Provide a detailed description of the manner in which the applicant proposes to conduct money transmission business, including all of the following:

(1) The procedures for the handling of transmission money from the time it is received for transmission until the time its transmission is complete. In case different procedures would be followed by agents of the applicant, describe the procedures to be followed by its agents.

(2) The identity of each affiliate of the applicant that is proposed to be involved in the applicant's money transmission business and a description of the affiliate's proposed involvement.

(3) The name and address of each domestic and foreign financial institutions and paying agents, including any affiliate of the applicant, which the applicant intends to use in connection with its money transmission business.

(c) Provide the highest, lowest, and average number of days that the applicant estimates will elapse between the date transmission money is received from a customer, the date the transmission money is forwarded, and the date the transmission money is delivered to the beneficiary, and state the basis for each estimate.

(d) With respect to the language or languages anticipated to be utilized by the applicant to advertise, solicit, or negotiate its money transmission business in California provide:

(1) A list of all languages other than English which the applicant will principally use to advertise, solicit, or negotiate its money transmission business in California, either orally or in writing.

(2) A description of the manner in which the applicant will monitor its operations to determine the language or languages used to advertise, solicit, or negotiate its money transmission business in California, either orally or in writing.

(e) Provide a copy of every receipt form and refund notice, if separate from the receipt form, that are proposed to be used in connection with the applicant's money transmission business in California.

(f) In case the applicant maintains or proposes to maintain a fidelity bond, provide a description of the fidelity bond, including the amount of the bond and the identity of the bonding company.

(g) Describe the manner in which the applicant intends to comply with California Financial Code Section 1811 or Section 1812, including the following:

(1) In case the applicant intends to maintain cash on deposit with the State Treasurer, the source of the cash.

(2) In case the applicant intends to maintain securities on deposit with the State Treasurer, the type of securities to be deposited, and in case the applicant intends to acquire securities for deposit, the source of the cash to acquire the securities.

(3) In case the applicant intends to obtain a surety bond, the identity of the bonding company and an estimate of the amount and cost of the bond.

(h) Describe in detail the applicant's policies and procedures with respect to all the following, including a description of the responsibilities and authority of key personnel involved therewith:

(1) Receiving, processing, and forwarding of transmission money.

(2) Recordkeeping.

(3) Processing and resolution of consumer complaints.

(4) Processing of requests for refunds.

(5) Monitoring and oversight of branch activities, if applicable.

(6) Selection, monitoring, and oversight of agents, if applicable, and include a copy of the proposed contract the applicant will have with its agents.

(i) State the date the applicant anticipates it will commence the money transmission business after the approval date.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2116. Information Regarding Financial Statements.**

(a) In case the applicant is not a reporting company, provide audited financial statements of the applicant, if available, or if audited financial statements are not available, unaudited statements which have been certified as correct by the chief financial officer of the applicant, including all the following:

(1) A balance sheet, current as of a date within 60 days of the filing of the application.  
(2) In case the balance sheet called for in Paragraph (1) of this Subdivision is not as of the end of a fiscal year of the applicant, a balance sheet as of the end of the immediately preceding fiscal year of applicant.

(3) Statements of income, shareholders' equity, and cash flows for each of the three fiscal years next preceding the balance sheet provided under Paragraph (1) of this Subdivision. In case the balance sheet is not as of the end of the fiscal year, a statement of income for the interim period from the date of the balance sheet called for in Paragraph (2) of this Subdivision to the date of the balance sheet called for in Paragraph (1) of this Subdivision.

(b) Provide documentation to support the asset value of any asset which represents 10 percent or more of the applicant's total assets as stated on the balance sheets submitted in response to Paragraphs (1) and (2) of this Subdivision.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2117. Information Regarding Pro Forma Financial Statements.**

(a) Provide projections of the results of the applicant's money transmission business in California, including all of the following:

(1) An estimate of the total amount of transmission money that the applicant projects it and its agents will receive in California in each month of the first three years after receiving a license.

(2) An estimate of the average daily transmission liability for transmission money received in California by the applicant and its agents for each month of the first three years after receiving a license.

(3) A statement of the assumptions underlying the estimates described in Paragraphs (1) and (2) of this Subdivision.

(b) Provide a pro forma balance sheet for the applicant as of the end of the first half-year of business, as of the end of the first year of business, as of the end of the second year of business, and as of the end of the third year of business, and a statement of the assumptions underlying the projections.

(c) Provide pro forma statements of income, shareholders' equity, and cash flows for the applicant for the first half-year of business, for the first year of business, and for the second year of business, and a statement of the assumptions underlying the projections.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2118. Information Regarding Any Controlling Person of Applicant.**

(a) In case the applicant is directly or indirectly controlled by one or more individuals, provide all the following for each controlling person:

(1) The controlling person's name and a description of the nature and extent of the interest beneficially owned by that person in the applicant.

(2) A Confidential Résumé (Department Form 3, 10 C.C.R. Section 95.3) and a Personal Financial Statement (Department Form 2, 10 C.C.R. Section 95.2) or the Interagency Biographical and Financial Report Form completed and dated by the controlling person as of a date within 60 days before the filing of the application.

(3) In case the controlling person has been a party to any significant court or governmental agency action, as defined in Section 60.524, describe in detail the circumstances of each such action including the following:

- (a) The title of proceeding.
- (b) The name and address of the court or governmental agency.
- (c) The names of the principal parties to the proceeding.
- (d) The date the proceeding was commenced.
- (e) The factual basis alleged to underlie the proceeding.
- (f) The relief sought in the proceeding.
- (g) The status of the proceeding.
- (h) In case the action is no longer pending, a description of any judgment, decision, verdict, or other disposition of the action.

(4) The controlling person's social security number.

(5) The names, street and mailing addresses, and telephone numbers of references for the controlling person, including at least one financial institution and two business or personal references. With respect to the financial institution reference, the applicant shall identify the type of account and provide the account number for each account held by the controlling person with the financial institution.

(6) The title of any position which the controlling person holds or will hold with the applicant and with any other intermediary controlling person.

(7) A written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, the controlling person, authorizing the Commissioner to obtain information regarding the controlling person from financial institutions, governmental agencies, and business and personal references.

(b) In case the applicant is directly or indirectly controlled by a person, other than an individual, that is not a reporting company, provide all the following for each controlling person:

(1) The name and the type of business entity (corporation, partnership, or other entity) of the controlling person.

(2) The nature and extent of the controlling interest held by the controlling person in the applicant and in any intermediary person.

(3) A summary of the history of the controlling person, including, but not limited to, the date and place of incorporation or organization, any changes in the name under which the controlling person has done business, each type of business in which the controlling person has been previously engaged, and the address of the principal place of business for each business.

(4) A description of each business in which the controlling person currently is engaged.

(5) The names, street and mailing addresses, and telephone numbers of references for the controlling person, including at least two financial institutions and two business references for the controlling person. With respect to each financial institution reference, identify the type of account and provide the account number for each account held by the controlling person with the financial institutions.

(6) In case the controlling person or any subsidiary of the controlling person, other than the applicant, has been a party to any significant court or governmental agency action, as defined in Section 60.524, describe in detail the circumstances of each such action including the following:

- (a) The title of proceeding.
- (b) The name and address of the court or governmental agency.
- (c) The names of the principal parties to the proceeding.
- (d) The date the proceeding was commenced.
- (e) The factual basis alleged to underlie the proceeding.
- (f) The relief sought in the proceeding.
- (g) The status of the proceeding.
- (h) In case the action is no longer pending, a description of any judgment, decision, verdict, or other disposition of the action.

(7) In case any controlling person or any subsidiary of the controlling person, other than the applicant, has had a bond refused or revoked, describe in detail the circumstances of such refusal or revocation.



(8) A written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, the controlling person, authorizing the Commissioner to obtain information regarding the controlling person from financial institutions, governmental agencies, and business references.

(9) Financial information regarding the controlling person including all the following:

(A) A balance sheet, current within 60 days of the filing of the application.

(B) In case the balance sheet called for in Subparagraph (A) is not as of the end of the fiscal year of the controlling person, a balance sheet as of the end of the fiscal year next preceding the date of the balance sheet provided under Subparagraph (A).

(C) Statements of income, shareholder's equity, and cash flows for each of the three fiscal years next preceding the date of the balance sheet called for in Subparagraph (A), if available. In case the balance sheet is not as of the end of the fiscal year, a statement of income for the interim period from the date of the balance sheet called for in Subparagraph (B) to the date of the balance sheet called for in Subparagraph (A).

(10) Unless disclosed in response to Paragraph (6) of this Subdivision, if the controlling person or any subsidiary of the controlling person is a party to, or any property of the controlling person or of any subsidiary is the subject of, any proceeding pending before any court or governmental agency, describe in detail each proceeding, including all the following:

(A) The title of proceeding.

(B) The name and address of the court or of the governmental agency before which the proceeding is pending.

(C) The names of the principal parties to the proceeding.

(D) The date the proceeding was commenced.

(E) The factual basis alleged to underlie the proceeding.

(F) The relief sought in the proceeding.

(G) The status of the proceeding.

(c) In case the applicant is directly or indirectly controlled by a person, other than an individual, that is a reporting company, provide a copy of each report or other document filed by the controlling person with the Securities and Exchange Commission under Sections 13 and 14 of the Securities Exchange Act of 1934, and regulations of the Securities and Exchange Commission issued thereunder, for the last three years (or, if the person was subject to the requirements for less than the last three years, for any lesser period).

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2119. Information Regarding Affiliates.**

In case the applicant has any affiliates (other than a subsidiary or controlling person), provide an organizational chart, showing the applicant and its affiliates, and state for each affiliate all the following:

(a) The name and type of business entity of the affiliate.

(b) The principal place of business of the affiliate.

(c) The business or businesses in which the affiliate is engaged.

(d) The date and place of incorporation or organization of the affiliate.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2120. Information Regarding Officers and Directors of Applicant and of Any Controlling Person.**

(a) With respect to each individual who is, or is proposed to be, an officer or director of the applicant or of any controlling person of the applicant, provide all of the following:

(1) The person's name.

(2) The person's business and home addresses.

(3) The person's social security number.

(4) The title of each position held or to be held by the person with the applicant or with any controlling person of the applicant.

(b) Provide a Confidential Résumé (Department Form 3, 10 C.C.R. 95.3) and a current Personal Financial Statement (Department Form 2, 10 C.C.R. Section 95.2) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days before the

filing of the application by each individual identified in Subdivision (a). In case there is any pending court or governmental agency action of the types described in the Confidential Résumé, describe in detail the circumstances each pending matter.

(c) Provide the names, street and mailing addresses, and telephone numbers of references for each person identified in Subdivision (a), including at least one financial institution and two business or personal references. With respect to each financial institution, identify the type of account and provide the account number for each account held by the person in the financial institution.

(d) Provide a written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, each individual identified in Subdivision (a) authorizing the Commissioner to obtain information regarding such individual from financial institutions, governmental agencies, and business and personal references.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

#### **§ 60.2121. Fingerprints.**

Submit fingerprints in accordance with the procedures specified by the Attorney General of the State of California for the following persons:

- (a) Each officer and director of the applicant.
- (b) Each individual who controls the applicant.
- (c) Each officer and director of each controlling person of the applicant.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

### **Subarticle 3**

#### **Post-Approval Matters**

#### **§ 60.2200. Scope.**

This Subarticle contains regulations relating to matters after an application for a license is approved by the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1800.9, Financial Code.

#### **§ 60.2201. Appointment of Commissioner as Agent for Service of Process.**

Not less than five business days before commencing business, the applicant shall file with the Commissioner an appointment of the Commissioner as agent for service of process in the form of Department Form 2122 (10 C.C.R. Section 95.6090), signed in the name of the applicant by an officer of the applicant who is duly authorized to execute the Appointment on behalf of the applicant. The signature of the applicant on such appointment shall be acknowledged.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1800.9, Financial Code.

#### **§ 60.2202. Deposit with State Treasurer or Surety Bond.**

Not less than five business days before commencing business, the applicant shall do either of the following:

- (a) Deposit with the State Treasurer cash or securities in accordance with Financial Code Section 1811 in an amount specified in the Commissioner's approval.
- (b) Deliver to the Commissioner its surety bond in accordance with Financial Code Section 1812, in the amount specified in the Commissioner's approval. The surety bond shall be in the form of Department Form 2120 (10 C.C.R. Section 95.6080).

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1811 and 1812, Financial Code.

#### **§ 60.2303. Tangible Shareholders' Equity.**

Not less than five business days before commencing business, the applicant shall file with the Commissioner evidence that the applicant has tangible shareholder's equity which is in the amount specified in the Commissioner's approval.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1814, Financial Code.

**§ 60.2305. Certificate of Good Standing.**

In case the applicant is a foreign corporation, not less than five business days before commencing business, the applicant shall provide a Certificate of Good Standing - Foreign Corporation of the Secretary of State of the State of California, certifying that the applicant has qualified to transact intrastate business in the State of California and is in good corporate standing under the laws of the State of California.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1800.9, Financial Code.

**§ 60.2306. License fee.**

Not less than five business days before commencing business, the applicant shall pay the license fee required by Financial Code Section 1801.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1801, Financial Code.

**§ 60.2307. Report Regarding Differences from Application.**

(a) Not less than five business days before commencing business, the licensee shall file with the Commissioner a report signed by an officer of the licensee, stating whether the licensee is or is to be different in any material respect from what was proposed in the application for a license, and if so, describing such difference.

(b) As an administrative standard, if the Commissioner finds that a licensee is or is to be different in any material respect from what was proposed in the application for a license and that, if such difference had existed at the time when the Commissioner decided the application, the Commissioner would have denied the application, the Commissioner will not issue a license to the applicant.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1802 and 1802.2, Financial Code.

**§ 60.2307. Expiration and Extension of Approval of Application for a License.**

(a) The Commissioner's approval of an application for a license shall, unless extended by the Commissioner, expire one year after the date of the Commissioner's approval.

(b) An application for an extension of the Commissioner's approval of an application for a license shall be in writing and contain all the following information:

(1) A detailed description of the applicant's progress to date in preparing to commence its money transmission business in California.

(2) The reason or reasons why additional time is required for completing preparations to commence its money transmission business in California.

(3) In case any information provided in the application for a license is no longer correct or complete, a statement signed and verified by a duly authorized officer of the proposed licensee, detailing such corrections, additions, or other changes.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1802.2, Financial Code.

#### **§60.2308. Report of Transactions.**

On or before the 10th day of each calendar month, commencing in the second month in which the licensee has conducted business under the license and continuing thereafter until further notice from the Commissioner, each licensee shall file a report with the Commissioner which contains all the following for the previous calendar month:

- (1) The total number of transactions involving the receipt of transmission money.
- (2) The total dollar amount of transmission money received.
- (3) The total number of transactions and the total dollar amount of money transmission transactions for which refunds were made.
- (4) The total dollar amount of fees and charges received from customers of the licensee and agents of the licensee.
- (5) The average daily transmission liability of the licensee. In case the licensee commences business after the first day of the calendar month, the licensee shall calculate its average daily transmission liability for its first report based on the number of days remaining in the calendar month after its business was commenced.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1800.9, Financial Code.

### **Article 3. Application by Licensee for Authorization to Appoint an Agent**

#### **Subarticle 1. General Provisions**

##### **§ 60.3000. Definitions and Scope.**

(a) In this Article, "applicant" means a licensee that files an application with the Commissioner.

(b) In this Article, "application" means an application filed by a licensee requesting authorization from the Commissioner to appoint an agent to receive money on behalf of the licensee in California for the purpose of transmitting funds to a foreign country.

(c) This Article contains regulations relating to the granting of authority to appoint an agent pursuant to Financial Code Sections 1803.5. This Subarticle contains general provisions relating to this Article. Subarticle 2 (commencing with Section 60.3100) of this Article contains regulations relating to an application for authority to appoint an agent. Subarticle 3 (commencing with Section 60.3200) of this Article contains regulations relating to matters after an application for authority to appoint an agent is approved by the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1803.5, Financial Code.

#### **Subarticle 2. Contents of Application**

##### **§60.3100. Scope.**

This Subarticle contains regulations relating to an application for authority to appoint an agent pursuant to Financial Code Section 1803.5.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1803.5, Financial Code.

##### **§60.3101. Application.**

An application for authority to appoint an agent shall be in the form of Department Forms 2114 and 2114-1, shall contain the information called for in the Forms, and shall be signed as required in the Forms.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1803.5, Financial Code.

### **Subarticle 3. Post-Approval Matters.**

#### **§ 60.3200. Scope.**

This Subarticle contains regulations relating to matters after an application for authority to appoint an agent has been approved by the Commissioner pursuant to Financial Code Section 1803.5.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1803.5, Financial Code.

#### **§ 60.3201. Non-Transferable Authorization.**

The Commissioner's authorization to appoint an individual, corporation, sole proprietorship, or partnership as agent for a licensee constitutes authorization of only such individual, corporation, sole proprietorship, or partnership, and is not transferable or assignable to any other person.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1803.5, Financial Code.

## **Article 4. Branch Offices**

### **Subarticle 1. General Provisions**

#### **§ 60.4000. Definitions and Scope.**

This Article contains regulations relating to branch offices of licensees and of agents of licensees. This Subarticle contains general provisions relating to branch offices of licensees and of agents of licensees. Subarticle 2 (commencing with Section 60.4100) of this Article contains regulations relating to exemptions from the requirements for the Commissioner's approval of the establishment of a branch office of a licensee. Subarticle 3 (commencing with Section 60.4200) of this Article contains regulations relating to an application for approval to establish a branch office of a licensee. Subarticle 4 (commencing with Section 60.4300) of this Article contains regulations relating to an application for approval to establish a branch office of an agent of a licensee. Subarticle 5 (commencing with Section 60.4400) of this Article contains regulations relating to the relocation of a branch office of a licensee or an agent of a licensee. Subarticle 6 (commencing with Section 60.4500) of this Article contains regulations relating to discontinuance of branch office of a licensee or an agent of a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

### **Subarticle 3. Application by Licensee to Establish a Branch Office of Licensee**

#### **§ 60.4200. Definitions and Scope.**

(a) In this Subarticle, "applicant" means a licensee that files an application with the Commissioner.

(b) In this Subarticle, "application" means an application for approval to establish a branch office of a licensee.

(c) In this Subarticle, "branch manager" means the employee of an applicant who bears primary responsibility for managing the day-to-day operations at the proposed branch office of a licensee.

(d) This Subarticle contains regulations relating to an application for approval to establish a branch office of a licensee in case the requirements of Section 60.4101 are not met.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

#### **§ 60.4201. Facing Page.**

An application shall have as its first page a facing page in the form of Department Form 2112 (10 C.C.R. Section 95.6020) and shall contain the information called for therein. The application shall be signed by a duly authorized officer of the applicant.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

#### **§ 60.4202. Additional Information.**

An application shall contain, in addition to the information called for in the facing page, the

information called for in Sections 60.4203 through 60.4207, in a form which complies with both the following:

(a) The information contained in the application shall be clearly referenced to the section, subdivision, paragraph, and subparagraph of this subarticle to which the information is responsive.

(b) The applicant shall provide a response to each section, subdivision, paragraph, and subparagraph of this subarticle. In case the informational requirements of any section, subdivision, paragraph, or subparagraph are not applicable, the applicant shall provide a statement to that effect.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

**§ 60.4203. Information Regarding Proposed Branch Operations.**

(a) Describe in detail the proposed mode of operation for conducting the money transmission business at the proposed branch.

(b) In case the proposed branch office will receive money for transmission to countries not currently serviced by the applicant, provide all the following:

(1) The identity of each foreign country.

(2) The legal requirements that the applicant must satisfy in each such country in order to transmit money to that country.

(3) The identity of those countries where the applicant has already satisfied the legal requirements.

(4) In case the applicant has not already satisfied the legal requirements, a description of the actions being taken by the applicant to satisfy such requirements and the anticipated date the applicant will satisfy the requirements.

(c) With respect to the language or languages to be utilized by the applicant to advertise, solicit, or negotiate its business at the proposed branch office, provide all the following:

(1) The identity of the language or languages other than English which the applicant will principally use to advertise, solicit, or negotiate its business, either orally or in writing, at the proposed branch office.

(2) A description of the manner in which the applicant will monitor its operations to determine the language or languages principally used to advertise, solicit, or negotiate its business, either orally or in writing, at the proposed branch.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

**§ 60.4204. Information Regarding Proposed Direction, Supervision, and Audit.**

(a) Describe the manner in which, and the extent to which, the applicant proposes to direct, monitor, and supervise the branch office.

(b) Describe the manner in which, the extent to which, and the frequency with which, the applicant proposes to audit or examine the operations of the branch office.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

**§ 60.4205. Information Regarding Proposed Premises, Furniture, and Equipment.**

(a) Describe the terms of any proposed lease, sublease or mortgage indebtedness related to the proposed premises.

(b) Describe the premises where the branch office is proposed to be located.

(c) Describe the applicant's proposed investment in renovations, furniture, furnishings, and equipment for the proposed branch office.

(d) In case it is proposed that the branch office commence business in temporary quarters and later be relocated to permanent quarters, provide the information called for in Subdivisions (a), (b), and (c), with respect to the temporary quarters and with respect to the permanent quarters, and in addition, state the date when it is proposed that the branch office be relocated from the temporary quarters to the permanent quarters.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

**§ 60.4206. Information Regarding Proposed Branch Manager and Staff.**

(a) State the name of the proposed branch manager of the proposed branch office.

(b) State the annual salary of the proposed manager.

(c) Describe the duties, responsibilities, and authority of the proposed manager.

(d) Provide a statement dated as of a date within 60 days before the filing of the application and executed by the proposed manager under penalty of perjury under the laws of the State of California, providing both the following:

(1) The experience of the proposed manager in the money transmission business, including, with respect to each position held, the job title, a description of the duties performed, the name and address of the employer, the period of employment, and the reason for terminating the employment relationship.

(2) A statement as to whether the proposed manager has ever been discharged or requested to resign from any position, and, if so, a detailed description of the circumstances surrounding the discharge or resignation.

(e) Describe the extent to which the proposed manager can speak and write in the languages identified in Section 60.4203(c)(1).

(f) State the total number of officers and employees who are proposed to be employed at the proposed branch office upon commencement of business and at the end of each of the first two years of business of the proposed branch office, and for each person, state his or her starting salary.

(g) In case the proposed branch manager has not been selected, describe how the applicant will provide for the management of the proposed branch.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

#### **§ 60.4207. Information Regarding Financial Impact of Proposed Branch.**

(a) Describe the extent to which the proposed branch office is expected to result in any material change in the operating expenses of the applicant.

(b) For each quarter of the first two years of operation of the proposed branch, state the projected total dollar amount of transmission money to be received and of the projected average daily transmission liability attributable to such receipts, and state the assumptions underlying the projections.

(c) With respect to the proposed branch, provide a pro forma statement of income for each quarter of the first two years, and state the assumptions underlying the projections.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

### **Subarticle 4. Establishment of Branch Office of Agent of Licensee**

#### **§ 60.4300. Definitions and Scope.**

(a) In this Subarticle, "applicant" means a licensee that files an application with the Commissioner.

(b) In this Subarticle, "application" means an application for approval to establish a branch office of an agent of the licensee.

(c) In this Subarticle, "branch manager" means the employee of an agent who bears primary responsibility for managing the day-to-day operations at the proposed branch office of the agent.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1803.5 and 1805, Financial Code.

#### **§ 60.4301. Facing Page.**

An application shall have as its first page a facing page in the form of Department Form 2114 (10 C.C.R. Section 95.6025) and shall contain the information called for therein. The application shall be signed by a duly authorized officer of the applicant.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1803.5 and 1805, Financial Code.

### **Subarticle 5. Relocation of Branch Office**

#### **§60.4400. Scope.**

This Subarticle contains regulations relating to the relocation of a branch office of a licensee or of an agent of a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1803.5 and 1805.5, Financial Code.

**60.4401. Notice of Relocation to Commissioner.**

A licensee which intends to relocate a branch office of the licensee or an agent of the licensee shall file a written notice with the Commissioner which contains all the following:

(a) The present address of the branch office and an indication of whether it is a branch office of the licensee or a branch office of an agent of the licensee.

(b) The new address of the branch office.

(c) The date on which the existing branch office will be closed and the date on which the relocated branch office will be open for business.

(d) A copy of the notice to the public, as described in Section 60.4402.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1803.5 and 1805.5, Financial Code.

**§60.4402. Notice of Relocation to the Public.**

A licensee shall provide written notice to the public prior to the relocation of a branch office of the licensee or of an agent of the licensee, which notice shall comply with all of the following:

(a) The written notice to the public shall contain all the following:

(1) A statement that the branch will be relocated.

(2) The address and telephone number of the new location of the branch office.

(3) The business hours of the relocated branch office.

(4) The date on which the existing branch office will be closed and the date on which the relocated branch office will be open for business.

(b) The written notice shall be in English and in any other language principally used by the licensee or agent of the licensee to advertise, solicit, or negotiate business at the branch office proposed to be relocated.

(c) The notice shall be legibly written and conspicuously posted on all entry and exit doors utilized by the public or at the location where money transmission business is conducted with the public.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1803.5 and 1805, Financial Code

**Subarticle 6. Discontinuance of a Branch Office**

**§60.4500. Scope.**

This Subarticle contains regulations relating to the discontinuance of a branch office of a licensee or of an agent of a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1805.5, Financial Code.

**§ 60.4501. Notice of Discontinuance to Commissioner.**

A licensee shall provide the Commissioner with written notice prior to the discontinuance of the operation of a branch office of the licensee or of an agent of the licensee (which is not the result of the termination of the agency relationship), in accordance with Financial Code Section 1805 and containing all the following:

(a) The location of the branch office at which the money transmission business of the licensee will be discontinued.

(b) A copy of the notice to the public described in Section 60.4502.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

**§60.4502. Notice of Discontinuance to Public.**

A licensee shall provide written notice to the public prior to the discontinuance of the operation of a branch office of the licensee or of an agent of the licensee (which is not the result of the termination of an agency relationship), in accordance with Financial Code Section 1805 which complies with all the following:

(a) The written notice to the public of the discontinuance of the operation of a branch office



shall contain all the following:

- (1) A statement that the operation of the branch office will be discontinued.
- (2) The date on which the operation of the branch office will be discontinued.
- (3) The address, telephone number, and business hours of the nearest office of the licensee or an agent of the licensee where business will continue, and of the head office of the licensee.
- (b) The written notice shall be in English and in any other language principally used by the licensee or an agent of the licensee to advertise, solicit, or negotiate business at that branch office.
- (c) The notice shall be legibly written and conspicuously posted on all entry and exit doors utilized by the public or at the location where money transmission business is conducted with the public.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

## **Article 5. Acquisition of Control of Licensee**

### **Subarticle 1. General Provisions**

#### **§ 60.5000. Definitions and Scope.**

- (a) In this Article, "applicant" means any person who files an application with the Commissioner.
- (b) In this Article, "application" means an application for the Commissioner's approval to acquire control of a licensee.
- (c) This Article contains regulations relating to the acquisition of control of a licensee.
- (d) This Subarticle contains general provisions relating to the acquisition of control of a licensee. Subarticle 2 (commencing with Section 60.5100) of this Article contains regulations relating to an application for approval to acquire control of a licensee. Subarticle 3 (commencing with Section 60.5200) of this Article contains regulations relating to matters after an application for approval to acquire control of a licensee is approved by the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

### **Subarticle 2. Contents of Application**

#### **§ 60.5100. Scope.**

This Subarticle contains regulations relating to the contents of an application for approval to acquire control of a licensee pursuant to Financial Code Section 1804.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

#### **§ 60.5101. Facing Page.**

An application for approval to acquire control of a licensee shall have as its first page a facing page in the form of Department Form 2118 (10 C.C.R. Section 95.6070), and shall contain the information called for therein. The application shall be signed and verified by the applicant if the applicant is an individual person. In case the applicant is not an individual person, the application shall be signed by a duly authorized officer of the applicant and shall be verified by the same officer, where indicated on the facing page.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

#### **§ 60.5102. Additional Information.**

An application shall contain, in addition to the information contained in the facing page, the information called for in Section 60.5103 and Sections 60.5105 to 60.5112, inclusive, in case the applicant is an individual. In case the applicant is other than an individual, the application shall contain, in addition to the information contained in the facing page, the information called for in Sections 60.5104 to 60.5112, inclusive. In either case, the applicant shall provide the required information in a form that complies with the following:

- (a) The information contained in the application shall be clearly referenced to the section, subdivision, paragraph, and subparagraph of this subarticle to which the information is responsive.
- (b) The applicant shall provide a response to each section, subdivision, paragraph, and

subparagraph of this subarticle. In case the informational requirements of any section, subdivision, paragraph, or subparagraph are not applicable, the applicant shall provide a statement to that effect.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5103. Applicant Is An Individual.**

In case an applicant is an individual, provide all of the following:

(a) A Confidential Résumé in the form of Department Form 3 (10 C.C.R. Section 95.3) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days before the filing of the application by the applicant. In case there is any pending court or governmental action of the type described in the Confidential Résumé with respect to the applicant, the applicant shall describe in detail the circumstances of each such pending matter.

(b) A Personal Financial Statement in the form of Department Form 2 (10 C.C.R. Section 95.2) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days before the filing of the application by the applicant.

(c) The applicant's social security number.

(d) The names, street and mailing addresses, and telephone numbers of references for the applicant including at least one financial institution and two business or personal references. With respect to the financial institution reference, identify the type of account and provide the account number of each account held by the applicant in the financial institution.

(e) A written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, the applicant, authorizing the Commissioner to obtain information regarding the controlling person from financial institutions, governmental agencies, and business and personal references.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5104. Applicant Is Other Than Individual.**

In case any applicant is not an individual, provide all the following:

(a) The name and the type of business entity (corporation, partnership, or other entity) of the applicant.

(b) A summary of the history of the applicant, including, but not limited to, the date and place of incorporation or organization, any changes in the name under which the applicant has done business, each type of business in which the applicant has been engaged, and the address of the principal place of business for each business.

(c) A description of each business in which the applicant currently is engaged.

(d) The names, street and mailing addresses, and telephone numbers and references for the applicant including at least one financial institution and two business references. With respect to the financial institution references, identify the type of account and provide the account number of each account held with the financial institution.

(e) A written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, the applicant, authorizing the Commissioner to obtain information regarding the applicant from financial institutions, governmental agencies, and business references.

(f) In case any applicant or any subsidiary of any applicant is or has been a party to any significant court or governmental action, as defined in Section 60.524, a detailed description of the circumstances of each such action including the following:

(1) The title of proceeding.

(2) The name and address of the court or governmental agency.

(3) The names of the principal parties to the proceeding.

(4) The date the proceeding was commenced.

(5) The factual basis alleged to underlie the proceeding.

(6) The relief sought in the proceeding.

(7) The status of the proceeding.

(8) In case the action is no longer pending, a description of any judgment, decision, verdict, or other disposition of the action.

(g) In case any applicant or any subsidiary of any applicant has had a bond refused or revoked, a detailed description of the circumstances of such refusal or revocation.

(h) Financial information regarding the applicant including all the following:

- (1) A balance sheet, current within 60 days of the filing of the application.
- (2) In case the balance sheet called for in Paragraph (1) of this Subdivision is not as of the end of the fiscal year of the applicant a balance sheet as of the end of the fiscal year next preceding the date of the balance sheet provided under Paragraph (2) of this Subdivision.
- (3) Statements of income, shareholders' equity, and cash flows for each of the three fiscal years next preceding the date of the balance sheet called for in Paragraph (1) of this Subdivision, if available. In case the balance sheet is not as of the end of the fiscal year, a statement of income for the interim period from the date of the balance sheet called for in Paragraph (2) of this Subdivision to the date of the balance sheet called for in Paragraph (1) of this Subdivision.
  - (i) For each officer or director of the applicant, all the following:
    - (1) A Confidential Résumé in the form of Department Form 3 (10 C.C.R. Section 95.3) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days before the filing of the application. In case there is any matter pending of the types described in the Confidential Résumé with respect to the officer or director, describe in detail the circumstances of each such pending matter.
    - (2) A Personal Financial Statement in the form of Department Form 2 (10 C.C.R. Section 95.2) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days before the filing of the application.
    - (3) The social security number of the officer or director.
    - (4) The names, street and mailing addresses, and telephone numbers of references for each officer and director including at least one financial institution and two business or personal references. With respect to the financial institution reference, identify the type of account and provide the account number of each account held by the officer or director in the financial institution.
    - (5) A written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, each officer or director, authorizing the Commissioner to obtain information regarding the person from financial institutions, governmental agencies, and business and personal references.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

#### **§ 60.5105. Information Regarding Subsidiaries.**

In case the applicant has any subsidiaries, provide all the following:

- (a) The name of the subsidiary.
- (b) The address of the principal place of business of the subsidiary.
- (c) The type of business entity and a description of the business of the subsidiary.
- (d) The nature and extent of the applicant's controlling interest in the subsidiary.
- (e) The date and state of incorporation or organization of the subsidiary.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

#### **§ 60.5106. Information Regarding Other Licenses.**

In case the applicant has been issued any license, certificate of authority, or other authorization to engage in any business, profession, or occupation, by any governmental agency within or outside the United States, provide all of the following with respect to each license:

- (a) The name, address, and if available, the telephone number of the governmental agency that issued the license.
- (b) The name and citation of the law pursuant to which the license was issued.
- (c) The type of license and the type of business which the applicant is authorized to transact under the license.
- (d) Any material conditions to which the license is subject.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

#### **§ 60.5107. Information Regarding Legal Proceedings.**

(a) Unless described in the information provided under Section 60.5103 or Section 60.5104, in case the applicant or any subsidiary of the applicant is a party to, or any property of the applicant or of any subsidiary is the subject of, any proceeding pending before any court or governmental agency, provide all of the following:

- (1) The title of the proceeding.

(2) The name and address of the court or of the governmental agency before which the proceeding is pending.

(3) The names of the principal parties to the proceeding.

(4) The date the proceeding was commenced.

(5) The factual basis alleged to underlie the proceeding.

(6) The relief sought in the proceeding.

(7) The status of the proceeding.

(b) In case the applicant is aware of any proceeding involving the applicant or subsidiary of the applicant currently contemplated by any governmental agency, provide a detailed description of such proceeding in its application, including information comparable to the information called for in Subdivision (a) of this Section.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5108. Information Regarding Method of Acquisition.**

Provide information detailing the manner in which the acquisition of the licensee is proposed to be accomplished, including all the following:

(a) The total number of shares and the percentage of ownership of the licensee proposed to be acquired by applicant, and if different, the total number of shares and the percentage ownership to be owned by the applicant after completion of the proposed acquisition.

(b) The total amount of consideration to be paid for the shares proposed to be acquired.

(c) The form of consideration (cash, note, or other).

(d) The applicant's source of funds to finance the acquisition. In case the applicant proposes to borrow all or part of the funds necessary to complete the acquisition, the applicant shall describe in detail the source and terms of such financing.

(e) A copy of any tender offer for the securities of existing shareholders of the licensee.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5109. Information Regarding Proposed Changes in the Business, Policies and Operations of Licensee.**

Describe in detail any material changes the applicant intends to make in the business, policies, or operations of the licensee, including, but not limited to, branching policies, the foreign countries to which the licensee will transmit money, the manner in which transmission money will be processed, and policies regarding agents, refunds, fees, and charges.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5110. Information Regarding Changes in the Corporate Structure of Licensee.**

Describe in detail any changes that the applicant proposes to make in the corporate structure of the licensee.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5111. Information Regarding Changes in the Officers or Directors of Licensee.**

Describe any proposed changes the applicant intends to make in the officers or directors of the licensee or any controlling person of the licensee, and include all of the following for each proposed new director or officer:

(a) A Personal Financial Statement, Department Form 2 (10 C.C.R. Section 95.2) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days prior to the filing of the application.

(b) A Confidential Résumé, Department Form 3 (10 C.C.R. Section 95.3) or the Interagency Biographical and Financial Report Form completed and dated as of a date within 60 days prior to the filing of the application, and in case there is any pending court or governmental action of the types described in the Confidential Résumé, a detailed description of the circumstances of each pending matter.

(c) The social security number of the proposed new director or officer.

(d) The names, street and mailing addresses, and telephone numbers of references for each proposed new officer and director including at least one financial institution and two business or personal references. With respect to the financial institution references, identify the type of

account and provide the account number of each account held by the officer or director with the financial institution.

(e) A written authorization in the form of Department Form 2117 (10 C.C.R. Section 95.6060) signed by, and for, the proposed new officer or director, authorizing the Commissioner to obtain information regarding such person from financial institutions, governmental agencies, and business and personal references.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5112. Fingerprints.**

Provide a fingerprint card for each of the following persons:

- (a) Each applicant who is an individual.
- (b) Each officer and director of an applicant that is not an individual.
- (c) Each proposed new officer or director of the licensee or any controlling person of the licensee.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**Subarticle 3. Post-Approval Matters**

**§60.5200. Scope.**

This Subarticle contains regulations relating to matters after an application for approval of an acquisition of control of a licensee is approved by the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5201. Extension of Approval of Acquisition of Control.**

(a) The approval of the acquisition of control shall expire on the date stated in the approval unless extended by the Commissioner.

(b) An application for an extension of the Commissioner's approval of an acquisition of control shall be in writing and contain all the following information:

(1) A detailed description of the applicant's progress to date in consummating the acquisition.

(2) The reasons why the additional time is required to consummate the acquisition.

(3) In case any information provided in the application for approval of the acquisition is no longer correct or complete, a statement signed and verified by the applicant or, if applicable, a duly authorized officer of the applicant, detailing such corrections, additions, or other changes.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5202. Report Regarding Differences from Application.**

(a) Not less than five business days before consummating the acquisition of control, the applicant shall file with the Commissioner a report signed by the applicant or by an officer of the applicant in case the applicant is not an individual, stating whether the applicant or the licensee which is the subject of the application is or is to be different in any material respect from what was proposed in the application for approval to acquire control of the license, and if so, describing such difference.

(b) As an administrative standard, if the Commissioner finds that the applicant or the licensee is or is to be different in any material respect from what was proposed in the application and that, if such difference had existed at the time when the Commissioner decided the application, the Commissioner would have denied the application, the Commissioner will revoke his or her approval to acquire control of the licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§ 60.5203. Report of Consummation of Acquisition of Control.**

No later than 10 days after consummating the acquisition of control of the licensee, the controlling person shall file a report with the Commissioner advising the Commissioner of the date the acquisition was consummated.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

## **Article 6. Business and Operations**

### **Subarticle 1. General Provisions**

#### **§ 60.6000. Scope.**

This Article contains regulations relating to the business and operations of licensees. This Subarticle contains general provisions. Subarticle 2 (commencing with Section 60.6100) of this Article contains regulations relating to the books and records of licensees and agents. Subarticle 3 (commencing with Section 60.6700) of this Article contains regulations relating to the receipt form utilized by licensees and agents. Subarticle 4 (commencing with Section 60.6800) of this Article contains regulations relating information to be made available by a licensee to the public. Subarticle 5 (commencing with Section 60.6900) contains regulations relating to security deposits and surety bonds maintained by licensees. Subarticle 6 (commencing with Section 60.6950) of this Article contains regulations relating to tangible shareholders' equity of a licensee.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

### **Subarticle 2. Books and Records**

#### **§ 60.6100. Scope.**

This Subarticle contains regulations relating to the books and records of licensees and their agents. Part 1 (commencing with Section 60.6200) of this Subarticle contains general requirements relating to books and records of licensees and their agents. Part 2 (commencing with Section 60.6300) of this Subarticle contains regulations relating to the books and records to be maintained by licensees. Part 3 (commencing with Section 60.6500) contains regulations relating to the location of books and records of licensees and their agents. Part 4 (commencing with Section 60.6600) contains regulations relating to the retention of books and records of licensees and their agents.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1805.5, Financial Code.

### **Part 1. General Requirements**

#### **§ 60.6200. Scope.**

This Part contains regulations which establish general requirements relating to the books and records of licensees and agents of licensees.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

#### **§ 60.6201. Generally Accepted Accounting Principles.**

Each licensee and each agent of a licensee shall make and keep its books and accounts relating to the money transmission business of its offices in the form and in the manner as is in accordance with generally accepted accounting principles.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

#### **§ 60.6202. Records Which Are Customary for Type of Business.**

Each licensee and each agent of a licensee shall make and keep other records relating to the money transmission business of its offices in the form and in the manner as is customary in the money transmission business in California and as is necessary to enable the Commissioner to examine such offices.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

#### **§ 60.6203. Records Maintained on Daily Basis.**

Each licensee and each agent of a licensee shall make and keep books and accounts for each of its offices which accurately reflect the money transmission transactions of the office on a daily basis.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

**§ 60.6204. Transmission Money Maintained as a Liability.**

Unless otherwise authorized in writing by the Commissioner, each licensee shall maintain transmission money received from a customer by the licensee or agents of the licensee as a liability on its books and records until the later of the following:

(a) The licensee receives confirmation that the transmission money was received by the person instructed by the customer to receive the transmission money, or the licensee is informed that a money transmission instrument has been paid; or

(b) The transmission money is refunded to the customer.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

**§ 60.6205. Records Maintained in English Language.**

Each licensee and each agent of a licensee shall make and keep the books, accounts, and other financial records relating to its money transmission business in California in English. However, a licensee or an agent of a licensee may make and keep the books, accounts, and other financial records for its offices in a language other than English if it makes and keeps English translations of such books, accounts, and other financial records.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

**§ 60.6206. Additional Recordkeeping Requirements.**

Any other provision of this subchapter which requires a licensee or agent of a licensee to make, keep, or preserve books, accounts, or other records shall be construed as additional to, and not as any limitation of or exception from, the provisions of this part.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

## **Part 2. Records to be Maintained by Licensee**

### **§ 60.6300. Scope.**

This Part contains regulations relating to the types of records which should be maintained by a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

### **§ 60.6301. Types of Records.**

Each licensee shall maintain books and records relating to the licensee's money transmission business, which shall include, but not be limited to, all the following:

(a) A general ledger containing all asset, liability, capital, income, and expense accounts, in which entries shall be posted at least monthly.

(b) Reports and records of transactions received from all branch offices and agents in California.

(c) Bank records relating to foreign and domestic bank accounts maintained in connection with the licensee's money transmission business, including, but not limited to, bank statements, deposit slips, cancelled checks, wire transfer records, and bank reconciliation records. Bank account records shall be reconciled on a monthly basis.

(d) Records relating to transmission money which remains unclaimed and outstanding. These records shall be maintained, at a minimum, until such time as such money escheats to the State of California or other state of the United States by operation of law.

(e) A list of the names and addresses of all receiving agents in California and all paying agents of a licensee.

(f) Copies of contracts between the licensee and its agents in California.

(g) Reports and other records relating to all investigations and evaluations conducted by the licensee of its agents in California and proposed agents in California.

(h) Records for each transaction involving the receipt of money in California for transmission abroad, including all the following:

(1) Copies of all receipts for such transactions.

(2) Copies of all written instructions given by a customer with respect to the transmission money received from such customer.

(3) Copies of any instructions by a licensee committing an equivalent amount of money to the person designated by a customer, bearing the date upon which such instructions were given.

(4) Copies of any written request from a customer for a refund. Such written request shall be date stamped showing the date the same was received by the licensee or an agent of the licensee.

(5) Copies of any log or similar document which records oral requests for refunds received from customers.

(i) Records for each money transmission transaction involving the sale by the licensee of a check or draft in California, including all the following:

(1) Copies of all receipts for such transactions.

(2) Copies of all checks or drafts sold.

(3) Copies of all voided checks or drafts.

(4) Copies of all cancelled checks or drafts.

(j) A chronological log which records all consumer complaints received by licensee, either in writing or orally, detailing the following information:

(1) The date the complaint was received by the licensee.

(2) The name of the person lodging the complaint, and if different from above, the name of the customer to whom the complaint relates.

(3) A brief description of the nature of the complaint.

(4) A brief summary of the action taken with respect to the complaint upon its receipt.



**NOTE:** Authority cited: Sections 215 and 1807.5, Financial Code. Reference: Section 1807.5, Financial Code.

### **Part 3. Location of Books and Records**

#### **§ 60.6500. Scope.**

This Part contains regulations relating to the location where the books and records of a licensee and of an agent should be maintained.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

#### **§ 60.6501. Location.**

Each licensee and each agent of a licensee shall make, keep, and preserve the books, accounts and other records relating to money transmission business conducted in California as follows:

(a) In case a licensee or agent maintains only a headquarter office, the books, accounts, and other records relating to the licensee's or agent's money transmission business shall be maintained at the headquarter office, except as may be permitted by Subdivisions (c) and (d) of this Section.

(b) In case a licensee or agent maintains two or more offices, the books, accounts, and other records relating to the money transmission business of any office other than the headquarter office may be made, kept, and preserved at the office to which the records pertain or at the headquarter office.

(c) A licensee or agent may permit a person which provides data processing services to make, keep, and preserve books, accounts, and other records relating to the money transmission business of its offices. However, unless the person is regulated by the Department, the person shall file with the Commissioner an agreement that its performance of data processing services and the making, keeping, and preserving of books, accounts, and other records of the licensee or agent shall be subject to the regulation and examination by the Commissioner to the same extent as if the services were being performed, and the books, accounts, and other records made, kept, and preserved, by the licensee or the agent itself at its offices.

(d) A licensee or agent may permit any responsible storage facility within the United States to preserve any books, accounts, and other records relating to the money transmission business of its offices which are not needed for the transaction of current business. However, whenever requested to do so by the Commissioner, the licensee or agent shall, at its own expense, transfer its books, accounts, and other records to the location described in (a) or (b) above or other place within California as may be specified by the Commissioner.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

### **Part 4. Records Retention**

#### **§ 60.6600. Scope.**

This Part contains regulations relating to the length of time records should be maintained by a licensee and an agent of a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

#### **§ 60.6601. Minimum Retention Period.**

Except as required by Section 60.6602, each licensee and each agent of a licensee shall maintain all its books, records, and other documents pertaining to its money transmission business in California for a period of at least two years from the date of the transaction to which the record or document relates, or if the record is dated, two years from the date of such record.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

#### **§ 60.6602. Retention of Records to Allow for Safe and Sound Operation.**

Each licensee and each agent of a licensee shall preserve the books, accounts, and other records relating to the money transmission business of its offices in California for such time as is

necessary for the licensee and agent to operate in a safe and sound manner.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807.5, Financial Code.

### **Subarticle 3. Receipt Form**

#### **§ 60.6700. Scope.**

This Subarticle contains regulations relating to the receipt form used by a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1809, Financial Code.

#### **§ 60.6701. Content of Form.**

In addition to the requirements of Financial Code Sections 1810.5(b) and 1815, a receipt form given to a customer with respect to transmission money received shall contain all the following:

- (a) The date on which the transmission money was received from the customer.
- (b) The customer's name and address.
- (c) The name and, if known, the address of the beneficiary.
- (d) In case the receipt relates to a money transmission transaction involving the sale of a check or draft, the identification number of the check or draft issued to the customer.
- (e) The name of the licensee under whose authority the money transmission transaction is conducted, and the address of the licensee's headquarters office.
- (f) A notice stating that the licensee is regulated by the Department of Financial Institutions of the State of California and that unresolved consumer complaints may be directed to the Department of Financial Institutions, Consumer Assistance Unit. Refer to [www.dfi.ca.gov](http://www.dfi.ca.gov) for the address and telephone numbers.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1809, Financial Code.

#### **§ 60.6702. Application for Approval of Receipt Form.**

An application filed by a licensee for the Commissioner's approval of a receipt form proposed to be used by the licensee or an agent of the licensee shall contain all the following:

- (a) A copy of the proposed receipt form, certified by an officer of the licensee to be a true copy of the form proposed to be used by the licensee.
- (b) In case the receipt is written in English and in a language other than English, the certification required by Subdivision (a) of this Section shall also certify that the English version and the version in the other language are true and correct translations of each other.
- (c) In case the refund notice does not appear on the receipt form itself, but will be attached to the receipt, all the following:
  - (1) A copy of the refund notice proposed to be used, including, if applicable, the translation in such other language which will principally be used by the licensee or an agent to advertise, solicit, or negotiate business. The translation shall be certified in the same manner as provided in Subdivisions (a) and (b) of this Section.
  - (2) A description of how the notice will be attached to the receipt form.
- (d) The date on which the licensee proposes to commence use of the receipt form.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1809, Financial Code.

#### **§ 60.6703. Prohibited Provisions on Receipt Forms.**

(a) The Commissioner will not approve any receipt form containing the following or similar provisions:

- (1) Any provision which attempts to limit a licensee's liability to refund undelivered transmission money.

(2) Any provision which authorizes a licensee to make a refund to a customer in an amount which is less than the full amount received from the customer, including any fee or commission paid by the customer, where the failure to deliver the transmission money is the fault of the licensee.

(3) Any provision that states or implies that the licensee or any agent of a licensee is bonded by the Department or in any way creates an impression that the transmission money is insured in the same way as deposits in financial institutions.

(4) Any provision that states or implies that the licensee may withhold a refund for more than 30 days after the refund is requested for the reason that the licensee has not received confirmation that its agent has stopped delivery or that the involved funds have not been returned to the licensee.

(b) The provisions described in Subdivision (a) of this Section are not the only provisions that may cause a receipt not to be approved by the Commissioner.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1809, Financial Code.

#### **Subarticle 4. Information to be Made Available to Public and Advertising**

##### **§ 60.6800. Scope and Definition.**

(a) This Subarticle contains regulations relating to information a licensee is required provide the public and to advertising by a licensee.

(b) "Advertise in this state" means to advertise in a manner which a licensee or agent reasonably anticipates or should reasonably anticipate that the majority of persons who hear or see the advertisement are located in this state.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1800 and 1810.5, Financial Code.

##### **§ 60.6801. Consumer Complaint Information.**

Each licensee and each agent shall maintain posted at each office in California at which the licensee or agent transacts money transmission business with the public a sign or signs in full public view which comply with all the following:

(a) The sign shall be printed in a size and manner to render it legible by members of the public from the area where money transmission transactions are conducted with the public.

(b) The sign shall be written in English and in any other language principally used by the licensee to advertise, solicit, or negotiate the money transmission business at the particular branch or headquarters office.

(c) The sign shall contain the name and headquarters office address of the licensee, and of the agency if applicable, and a telephone number established by the licensee to answer questions and register complaints.

(d) The sign shall disclose that the licensee is licensed as a transmitter of money abroad and regulated by the Department of Financial Institutions of the State of California and that unresolved consumer complaints may be directed to the Department of Financial Institutions, Consumer Assistance Unit whose address and phone number are \_\_\_\_\_.

The current address and telephone number are available at [www.dfi.ca.gov](http://www.dfi.ca.gov).

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1800, Financial Code.

##### **§ 60.6802. Licensee's Status.**

(a) Except as otherwise provided in Subdivision (b) of this Section, each licensee shall affix, on the front window or entrance door of its headquarter office and at each of its branch offices in this state, a notice stating the name of the licensee and that the licensee is licensed as a money transmitter by the Department of Financial Institutions of the State of California.

(b) In case a licensee is not permitted by the owner or lessor of the property where its headquarter office or branch is located to affix the notice required by Subdivision (a) on a front window or entrance door, the licensee shall post the notice at the location where the licensee conducts money transmission business with the public.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1800 and 1800.3, Financial Code.

**§ 60.6803. Agent's Status.**

(a) Except as otherwise provided in Subdivision (b) of this Section, each agent of a licensee shall affix, on the front window or entrance door of its headquarter office and at each of its branch offices in this state, a notice stating the name of the licensee for which the agent is authorized to act and that the agent has been authorized to act as an agent for the named licensee by the Department of Financial Institutions of the State of California.

(b) In case an agent is not permitted by the owner or lessor of the property where its headquarter office or branch is located to affix the notice required by Subdivision (a) on a front window or entrance door, the agent shall post the notice at the location where the agent conducts money transmission business with the public.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1800 and 1803.5, Financial Code.

**§ 60.6804. Advertising Legend.**

No licensee or agent shall advertise in this state its money transmission business without stating the name of the licensee and that the licensee is "Licensed as a Money Transmitter by the Department of Financial Institutions of the State of California."

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1800, Financial Code.

**§ 60.6805. Advertising File.**

Each licensee and agent shall maintain a complete file of advertisements made in this state relating to its money transmission business, including transcriptions of all television, radio, and telephone advertisements, for examination by the Commissioner for a period of at least two years from the date of publication. In case an advertisement is in a language other than English, the licensee or agent shall additionally maintain a translation of the advertisement in English attached to or otherwise identifiable as the translation of that particular advertisement.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1800 and 1807.5, Financial Code.

**Subarticle 5. Security Deposit and Surety Bonds**

**§ 60.6900. Scope.**

This Subarticle contains regulations relating to security deposits and surety bonds maintained by licensees.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1811 and 1812, Financial Code.

**§ 60.6901. Minimum Amount of Security Deposit or Surety Bond.**

(a) The cash or securities required by Financial Code Section 1811 shall be free and clear of all encumbrances, be denominated in United States currency, and shall have an aggregate market value of not less than the amount specified by the Commissioner.

(b) The surety bond required by Financial Code Section 1812 shall be denominated in United States currency and shall be in an amount not less than the amount specified by the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Sections 1811 and 1812, Financial Code.

**§ 60.6902. Factors in Determining Adequacy of Security Deposit or Surety Bond.**

In determining the adequacy of the cash, securities, or surety bond of a licensee deposited by the licensee with the State Treasurer in accordance with Financial Code Section 1811 or 1812, the Commissioner may consider those factors the Commissioner deems relevant and appropriate including the following:

(a) The rating received by the licensee in its last report of examination prepared by the Department.

(b) The financial condition of the licensee.

(c) The total amount of a licensee's average daily transmission liability, or in the case of a

new licensee, the projected average daily transmission liability.

- (d) The competence of a licensee's management.
- (e) The adequacy of a licensee's tangible shareholders' equity,
- (f) The licensee's history of earnings.
- (g) The licensee's prospects of profitability.
- (h) The process utilized by the licensee to carry out and complete a money transmission transaction, including the nature and quality of intermediaries used such as financial institutions and paying agents.
- (i) The adequacy of the policies and procedures governing the activities of agents of the licensee and the extent to which the licensee monitors compliance with such policies and procedures.
- (j) The nature and history of consumer complaints involving the licensee or agents of the licensee.
- (k) The existence and amount of any fidelity bond or insurance.
- (l) The adequacy of the measures taken by the licensee and its agents to secure the premises where they conduct their money transmission business.
- (m) The exposure of customers of the licensee to loss in the event of the licensee's insolvency, bankruptcy, or other financial impairment.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Sections 1811 and 1812, Financial Code.

#### **§ 60.6903. Form of Bond.**

In case a licensee intends to deliver a bond in order to comply with Financial Code Section 1812, the bond shall be in the form of Department Form 2120 (10 C.C.R. Section 95.6080).

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1812, Financial Code.

### **Subarticle 6. Tangible Shareholders' Equity and Liquidity**

#### **§ 60.6950. Scope.**

This Subarticle contains regulations relating to the tangible shareholders' equity of licensees.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1814, Financial Code.

#### **§ 60.6951. Factors in Determining Adequacy of Shareholder's Equity.**

In determining the adequacy of the shareholders' equity of a licensee, the Commissioner may consider those factors as the Commissioner deems relevant and appropriate, including the following:

- (a) The nature and volume of the proposed transmission business of a licensee.
- (b) The amount, nature, quality, and liquidity of the assets of the licensee.
- (c) The amount and nature of the liabilities of the licensee, including contingent liabilities.
- (d) The history of, and the prospects for, the licensee to earn and retain income.
- (e) The quality of the operations of the licensee.
- (f) The quality of the management of the licensee.
- (g) The nature and quality of the controlling person of the licensee.
- (h) Such other factors as are in the opinion of the Commissioner relevant.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1814, Financial Code.

## **Article 7. Reports**

### **Subarticle 1. General Provisions**

#### **§ 60.7000. Scope.**

(a) This Article contains regulations relating to reports which licensees are required to file with the Commissioner.

(b) This Subarticle contains general provisions relating to reports which each licensee is

required to file with the Commissioner. Subarticle 2 (commencing with Section 60.7200) of this Article contains regulations relating to the annual report of a licensee. Subarticle 3 (commencing with Section 60.7300) of this Article contains regulations relating to the quarterly report of a licensee. Subarticle 4 (commencing with Section 60.7400) of this Article contains regulations relating to special reports of a licensee.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7001. Definitions.**

In this Article,

(a) "Annual report" means a report which a licensee is required to file with the Commissioner pursuant to Section 1807(b) of the Financial Code.

(b) "Quarterly report" means a report which a licensee is required to file with the Commissioner pursuant to Section 1807(d) of the Financial Code.

(c) "Special report" means a report which a licensee is required to file with the Commissioner pursuant to Subarticle 4 (commencing with Section 60.7400) of this Article or an order issued by the Commissioner under Section 1807(e) of the Financial Code.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7002. Information Regarding Financial Statements.**

(a) In case a licensee has a subsidiary, the licensee shall provide the financial statements called for in Subdivision (d) of Financial Code Section 1807 on a consolidated and nonconsolidated basis.

(b) In case a controlling person, other than an individual, owns a majority of the voting securities of a licensee, the licensee shall provide the financial statements called for in Subdivision (d) of Financial Code Section 1807 on a consolidated and nonconsolidated basis.

(c) The balance sheet and income statement submitted to the Commissioner in the quarterly report shall be on Department Forms 2125 and 2126, respectively.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7003. Signature and Verification.**

An annual, quarterly, or special report of a licensee which is filed with the Commissioner shall be signed in the name of the licensee by two duly authorized officers of the licensee and shall be verified by those officers.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

### **Subarticle 2. Annual Reports**

#### **§ 60.7200. Scope.**

This Subarticle contains regulations relating to the annual report which is required to be filed by licensees with the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7201. Information Required.**

The annual report of a licensee shall contain all the following:

(a) The information required by Subdivision (b) of Section 1807 of the Financial Code.

(b) The information called for in Sections 60.7302 to 60.7306, inclusive, relating to the fourth quarter of the licensee's fiscal year.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

### **Subarticle 3. Quarterly Reports**

#### **§60.7300. Scope.**

This Subarticle contains regulations relating to the quarterly report which is required to be filed by licensees with the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7301. Information Required.**

The licensee shall file quarterly reports with the Commissioner which shall contain, in addition to the information required by Financial Code Section 1807(d), the information called for Sections 60.7302 to 60.7306, inclusive.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7302. Information Regarding Money Transmission Activities.**

(a) With respect to money transmission activities of a licensee in California, provide a statement of the total number of money transmission transactions initiated in California during the quarter and the total dollar amount of transmission money transmitted to foreign countries from California by the licensee during the quarter.

(b) Provide a statement of the licensee's average daily transmission liability for each each calendar month of the quarter.

(c) With respect to money transmission activities of a licensee conducted within and outside California, provide a statement of the total dollar amount of all money transmission transactions engaged in by the licensee during the quarter.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7304. Information Regarding Changes in Accounting Policies.**

In case there was any material change in the accounting policies of the licensee during the quarter relative to its money transmission business, describe in detail the change or changes in its quarterly report to the Commissioner.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

### **Subarticle 4. Special Reports**

#### **§60.7400. Scope.**

This Subarticle contains regulations relating to special reports which are required to be filed by licensees with the Commissioner.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§60.7401. Total Transmission Business for the Calendar Year.**

In case the information has not been previously reported to the Commissioner, each licensee shall file with the Commissioner a report no later than March 1st of each year which states:

(a) The total number of money transmission transactions initiated in California which were completed during the prior calendar year.

(b) The total dollar amount of all money transmitted to foreign countries from California by the licensee in each of the 12 months of the prior calendar year.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§60.7402. Termination of Agent.**

Not later than on the fifth working day of each calendar month, each licensee shall file a

report with the Commissioner which discloses the following with respect to any agent whose agency relationship with the licensee has been terminated at any time during the previous calendar month:

- (a) The name, business address, and telephone number of the agent so terminated.
- (b) The effective date of the termination.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7403. Changes in Officers and Directors of Licensee and of Any Controlling Person.**

Within 10 days after any change in the officers and directors of a licensee is effected, the licensee shall file a report with the Commissioner containing all of the following with respect to each new officer or director:

- (1) The person's name.
- (2) The person's business and home addresses.
- (3) The person's social security number.
- (4) The title of each position held by the person with the applicant and with any controlling person of the applicant.

(5) A Confidential Résumé (Department Form 3, 10 C.C.R. 95.3) and a current Personal Financial Statement (Department Form 2, 10 C.C.R. Section 95.2) or Interagency Biographical and Financial Report Form completed by the person and dated as of a date within 60 days before the filing of the report. In case there is any pending court or governmental agency action of the types described in the Confidential Résumé, describe in detail the circumstances each pending matter.

**§ 60.7403. Information Regarding Changes in Business.**

Within 10 days after a licensee makes any material change in its business, policies and procedures, or operations, the licensee shall file with the Commissioner a report which describes in detail the nature of the change.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7404. Relocation of Headquarter Office.**

In case the licensee proposes to change the location of its headquarter office, the licensee shall file a report with the Commissioner not less than 30 calendar days prior to any such relocation which contains all the following information:

- (a) The date on which the headquarter office at its current location is proposed to be closed and the date on which the headquarter office at its proposed new location will be open for business.
- (b) In case the method of carrying on the money transmission business at the new headquarter office will differ materially from the operations at the existing headquarter office, a detailed description of all such differences.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7405. Suspension of Payments on Obligations.**

Within one business day after a licensee suspends payment of any of its obligations, the licensee shall file a report with the Commissioner which describes in detail the circumstances for the suspension, including all the following:

- (a) The name and address of each obligee.
- (b) The nature and amount of each obligation owing by the licensee, and the amount of each suspended payment.
- (c) The reason the licensee suspended payment of its obligation.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7406. Information Regarding Criminal Activity.**

(a) Within five business days after a licensee discovers any of the following, the licensee shall submit a report to the Commissioner:

- (1) Any embezzlement, misapplication, larceny, forgery, fraud, dishonesty, making of false entries or omission of true entries in any record, or other misconduct, whether or not a criminal offense, involving any director, officer, or employee of the licensee, or involving any agent, or any director, officer, or employee of an agent.



(2) Any robbery, theft, burglary, or check kiting scheme with respect to the business of the licensee or an agent.

(b) The report required by Subdivision (a) shall contain all the following:

(1) An estimate of the amount of the loss.

(2) The name, address, and position of the person or persons involved in the activity.

(3) The name and address of the insurance carrier that the licensee expects will cover the loss and the date the loss was reported to the insurance carrier.

(4) A statement of whether the loss has been reported to law enforcement authorities, and if so, the identity of the law enforcement agency and a copy of the report filed with the agency.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7408. Legal Proceedings.**

(a) For purposes of this Section:

(1) A proceeding involving a licensee or a subsidiary of a licensee shall not be deemed to be material:

(A) In case the proceeding is ordinary routine litigation incidental to the business of the licensee or of the subsidiary; or

(B) In case the proceeding involves primarily a claim for damages and if the amount of damages claimed (excluding interest and costs) against the licensee or the subsidiary does not exceed 10 percent of the current assets of the licensee and its subsidiaries on a consolidated basis. For purposes of computing the amount of damages claimed, in case a proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount of damages claimed in such proceeding shall be deemed to include the amount of damages claimed in such other proceeding.

(2) Notwithstanding the provisions of Paragraph (1) of this Subdivision, each of the following proceedings shall be deemed to be material:

(A) Any proceeding in which any affiliate of the licensee or any person who is, or who is an associate of a director, executive officer, or five-percent voting security owner of the licensee, is a party adverse to, or has a material interest adverse to, the licensee or any subsidiary of a licensee.

(B) Any class action brought against a licensee by or on behalf of customers of the licensee in connection with the licensee's money transmission business.

(C) Any bankruptcy, receivership, or similar proceeding.

(D) Any significant court or governmental agency action as defined in Section 60.524.

(b) Within 10 business days after a licensee becomes aware of any material proceeding before any or court governmental agency to which the licensee or a subsidiary of the licensee is a party or of which any property of the licensee or of a subsidiary of the licensee is the subject, the licensee shall file with the Commissioner a report describing the proceeding, including:

(1) Title of the proceeding.

(2) Name and address of the court or of the governmental agency before which the proceeding is pending.

(3) Names of the principal parties to the proceeding.

(4) Date the proceeding was commenced.

(5) Description of the factual basis alleged to underlie the proceeding.

(6) Relief sought in the proceeding.

(c) Within 10 days after any proceeding identified in response to Subdivision (b) is concluded, the licensee shall file with the commissioner a report identifying the proceeding and describing the disposition of the proceeding.

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

#### **§ 60.7409. Declaration of Dividend.**

Within five business days after a licensee declares a dividend or makes any other distribution to its shareholders, the licensee shall file a report with the Commissioner that provides the following:

(a) A copy of the resolution of the board of directors authorizing the distribution to the shareholders, or a similar resolution of a committee of the board authorized to exercise the powers of the board in such matters, which copy shall be certified by the Secretary or Assistant Secretary

of the licensee;

(b) A statement of the licensee's tangible shareholders' equity immediately prior to the distribution and immediately after the distribution.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7410. Information Regarding Shareholders of Licensee.**

Within five business days after a licensee becomes aware that any person beneficially owns or controls 10 percent or more of the outstanding voting securities of the licensee, other than an approved controlling person, the licensee shall file a report with the Commissioner which provides the following:

(a) The home and business address of the person, if known.

(b) The amount and type of voting securities of the licensee beneficially owned or controlled by the person.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7411.**

Each licensee shall file within 45 days of the end of the fiscal year information required by Financial Code Section 1807(d) for the fourth quarter of its fiscal year.

**§ 60.7413. Filings With Securities and Exchange Commission.**

If a licensee or controlling person of the licensee is a reporting company, the licensee shall file a report with the Commissioner consisting of a copy of each of the following documents within 10 business days after the document is filed with the Securities and Exchange Commission:

(a) A registration statement filed by the licensee pursuant to the Securities Act of 1933 and regulations thereunder (other than a registration statement in the form of Securities and Exchange Commission Form S-8), or a notification pursuant to Regulation A, D, E, or F of the Securities and Exchange Commission.

(b) A registration statement, report, proxy or information statement, or other document filed by the licensee pursuant to Section 12, 13, or 14 of the Securities Exchange Act of 1934 or the regulations issued thereunder.

(c) Any amendment to any document referred to in Subdivision (a) or (b) of this Section filed by the licensee.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7414. Reports to Holders of Securities.**

Whenever a licensee or controlling person of a licensee issues a report, notice, proxy or information statement, or similar document to the holders of any class of its securities, the licensee shall, within 10 business days, file with the Commissioner a report containing a copy of such document. This Section does not apply to any document which such licensee has filed under Section 60.7413.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7415. Information Regarding Transmission to New Foreign Country.**

In case the licensee commences to transmit money to a foreign country not previously serviced by the licensee, the licensee shall file a report with the Commissioner within 10 business days of commencing such business which provides all the following:

- (a) The identity of the foreign country.
- (b) A description of the legal requirements which the applicant was required to satisfy in order to transmit money to that foreign country.
- (c) In case the licensee has not satisfied all the legal requirements, a description of the actions being taken by the licensee to satisfy such requirements, and a statement of the anticipated date the licensee will satisfy the requirements.
- (d) The name and address of each financial institution or other paying agent in such foreign country which will be used in connection with the licensee's money transmission business.

**NOTE:** Authority cited: Section 215, Financial Code. Reference: Section 1807, Financial Code.

**§ 60.7416. Report of Changes Relating to Controlling Person.**

(a) Within 10 days after a licensee becomes aware that a controlling person of the licensee, or any officer or director of the controlling person, is a party to any significant court or governmental action as defined in Section 60.524, the licensee shall file a report with the Commissioner which provides a detailed description of the action, including all of the following:

- (1) Title of the proceeding.
- (2) Name and address of the court or of the governmental agency before which the proceeding is pending.
- (3) Names of the principal parties to the proceeding.
- (4) Date the proceeding was commenced.
- (5) Description of the factual basis alleged to underlie the proceeding.
- (6) Relief sought in the proceeding.

**3. Adopt Sections 95.6010 to 95.6090, inclusive:**

**§95.6010. Facing Page for Application for a License to Engage in the Business of Receiving Money for the Purpose of Transmitting the Same or its Equivalent Abroad.**

The following is an illustration of Department Form 2110:

Form 2110 ( /00)

California Department of Financial Institutions

**APPLICATION FOR A LICENSE TO ENGAGE IN THE BUSINESS OF  
RECEIVING MONEY FOR THE PURPOSE OF TRANSMITTING THE  
SAME OR ITS EQUIVALENT TO FOREIGN COUNTRIES**

**TO: COMMISSIONER OF FINANCIAL INSTITUTIONS**

\_\_\_\_\_, which maintains its head office at  
(Name of Applicant)

\_\_\_\_\_  
(Street Address, City, State, Zip Code)

hereby applies pursuant to Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code for a license to engage in the business of receiving money for the purpose of transmitting the same or its equivalent to foreign countries.

The documents and information attached to this application are hereby referred to and by this reference incorporated into this application.

The undersigned declares under penalty of perjury under the laws of the State of California that the information contained in this application, including the attached information and documents, is true and correct and that this declaration is executed at \_\_\_\_\_  
(Place of Execution)

on \_\_\_\_\_  
(Date)

By

\_\_\_\_\_  
(Name of Applicant)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Telephone)

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§95.6015. Authorization For Release Of Information Relating To Applicant For A License To Engage In The Business Of Receiving Money For The Purpose Of Transmitting The Same Or Its Equivalent Abroad.**

The following is an illustration of Department Form 2111:

Form 2111 ( /00)  
California Department of Financial Institutions

**AUTHORIZATION FOR RELEASE OF INFORMATION**

\_\_\_\_\_  
(Name of Applicant)

("Applicant"), which is applying for a license under the Transmitters Law (Chapter 14 (commencing with Section 1800) of Division 1 of the California Financial Code), irrevocably authorizes (1) any bank or other financial institution with which the Applicant may at any time transact business and (2) any government agency which licenses or regulates money transmitters, issuers of payment instruments, issuers of travelers checks, issuers of securities, or financial institutions, and which at any time has information or records regarding the Applicant, to furnish to the Commissioner of Financial Institutions of the State of California information regarding the Applicant, and permit the Commissioner to inspect and copy records regarding the Applicant, as may be requested from time to time.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Name of Applicant)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and Title)

**CERTIFICATE OF ACKNOWLEDGEMENT**

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
Name and Title of Officer

personally appeared \_\_\_\_\_

\_\_\_\_\_,  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in his or her authorized capacity, and that by his or her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802, Financial Code.

**§95.6020. Facing Page for Application for Approval to Establish a Branch Office of Licensee**

The following is an illustration of Department Form 2112:

Form 2112 ( /00)  
California Department of Financial Institutions

**APPLICATION BY LICENSED MONEY TRANSMITTER FOR  
APPROVAL TO ESTABLISH BRANCH OFFICE  
(OTHER THAN AN OFFICE OF AN AGENT)**

**TO: COMMISSIONER OF FINANCIAL INSTITUTIONS**

\_\_\_\_\_, which maintains its head office at  
(Name of Licensee)

\_\_\_\_\_  
(Address of Head Office of Licensee)

hereby applies for authority to establish a branch office (other than an office of an agent) at

\_\_\_\_\_  
(Address of Proposed Branch Office of Licensee)

pursuant to Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code.

The documents and information attached to this Application are hereby referred to and incorporated by this reference into this Application.

\_\_\_\_\_  
(Name of Applicant)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Telephone)

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1805, Financial Code.

**§95.6030. Facing Page for Application for Authority to Appoint an Agent or for Approval of Establishment of Branch Office of Agent**

The following is an illustration of Department Form 2114:

Date \_\_\_\_\_  
 To: Department of Financial Institutions  
 From: \_\_\_\_\_

*Attached is an application for the following location(s):  
 If application is made for more than one branch, attach separate sheet listing names and addresses of each location.*

<p>AGENT HEADQUARTERS OFFICE          (Name and address)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Owners' Names _____</p> <p>_____</p>	<p>AGENT BRANCH OFFICE          (Name and address)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>For applications under Financial Code Section 1803.5(c) only. Included in this packet is the following:</p> <p>___ 2114-1 Form, Agent Headquarters Office</p> <p>___ Fingerprint cards: ___ number</p> <p>___ \$32 processing fee per fingerprint card, \$ ___ total fee</p>	<p>___ Agent Branch Offices          Application Fee          (\$50 per branch) \$ ___</p>

Enclosed is a check for the total fees in the amount of \$ \_\_\_\_\_



**FOR DEPARTMENT OF FINANCIAL INSTITUTIONS USE ONLY**

ACTIVITY	AGENT	BRANCH	INITIALS
Date Received			
Check Number & Amount			
Receipt Number			
BID-7 Sent			
BID-7 Received			
Date Approved			
Date Denied			
Date Posted			

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1803.5, Financial Code.

**§95.6035. Application for Authority to Appoint Agent to Receive Money on Behalf of Licensee for Transmission to Foreign Country**

The following is an illustration of Department Form 2114-1:

FORM 2114-1

Name of Licensee: \_\_\_\_\_

Name of Agent: \_\_\_\_\_

Application to Appoint an Agent with Authority to Receive Transmission  
Money to Transfer Abroad pursuant to Chapter 14, Section 1800, of Division 1  
of the Financial Code

Will the proposed agent receive money for transmission to countries not currently serviced by the applicant?

☐ Yes ☐ No

If yes, indicate country

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

(Authorized Officer of Licensee)

<b>Information regarding the proposed agent. The proposed agent must fill out the required information. Mark an [X] in the appropriate spaces provided on the form.</b>	
I. Name of proposed agent	II. Business address      Tel. no/fax
III. Indicate type of business <input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation State of Incorporation: _____	IV. Names and positions of sole owner or partners or each executive officer of the proposed agent.
V. If agent is a corporation or partnership, provide names and percentages of ownership of owners with 10% or more of the agent.	VI. If agent is a corporation, names of directors of the corporation

<p>VII. Has the applicant or any affiliate extended credit or committed to extend credit in an amount exceeding \$25,000 directly, or indirectly to or for the benefit of the proposed agent or any of its subsidiaries? If yes, identify parties and describe terms of the transaction.</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p>	<p>VIII. Is the proposed agent currently engaged or previously engaged in the business of receiving money in this state for the purpose of transmitting money or its equivalent to foreign countries as principal?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>If yes, give details</p>
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FORM 2114-1

<p><b>IX. Is the proposed agent currently engaged or previously engaged in the business of receiving money in this state for the purpose of transmitting money or its equivalent to foreign countries as agent?</b></p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>If yes, give details</p> <p><b>XI. Attachments</b></p>  <p>If agent is a corporation, provide a Certificate of Good Standing from the Secretary of State of California. Date of certificate should be within 30 days before filing.</p>	<p><b>x. Information Regarding Regulatory and Legal Proceedings;</b></p> <p>Has any of the following occurred or is pending with respect to the proposed agent, any person who controls the proposed agent, any director or officer of the proposed agent, or any significant subsidiary of the proposed agent?</p> <p>Yes    No</p> <ol style="list-style-type: none"> <li>1. <input type="checkbox"/> <input type="checkbox"/> Any court or governmental agency has, for any reason, suspended or revoked any license or other authorization or qualification to engage in any profession, occupation, vocation or other business activity;</li> <li>2. <input type="checkbox"/> <input type="checkbox"/> An application has been made for reorganization, arrangement or other relief under any bankruptcy, reorganization, insolvency or moratorium law;</li> <li>3. <input type="checkbox"/> <input type="checkbox"/> An application has been made by a third party for the appointment of a receiver, fiscal agent, or similar officer or for other relief of the kind described in paragraph (2) above;</li> <li>4. <input type="checkbox"/> <input type="checkbox"/> Suffered judgment in any civil action based upon conduct involving fraud or dishonesty or</li> <li>5. <input type="checkbox"/> <input type="checkbox"/> Been convicted of, plead nolo contendere to, or is being charged with, any crime.</li> </ol> <p>If yes, describe circumstances. Please use separate sheet if necessary.</p>
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<b>CERTIFICATION</b>
<p><b>I DECLARE THAT I HAVE VOLUNTARILY FURNISHED THE INFORMATION SUPPLIED IN THIS STATEMENT. I DECLARE FURTHER, THAT I HAVE EXAMINED THIS STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT AND COMPLETE.</b></p> <p>_____</p> <p><b>SIGNATURE OF PROPOSED AGENT OR PARTNER OR CHIEF EXECUTIVE OFFICER OF PROPOSED AGENT</b></p> <p><b>DATE:</b> _____</p>

**§95.6070. Facing Page for Application for Approval to Acquire Control of a Licensed Money Transmitter.**

The following is an illustration of Department Form 2118.

Form 2118 ( /00)  
California Department of Financial Institutions

**APPLICATION FOR APPROVAL TO ACQUIRE CONTROL OF  
LICENSED MONEY TRANSMITTER**

**TO: COMMISSIONER OF FINANCIAL INSTITUTIONS**

\_\_\_\_\_  
(Name of Applicant)

who maintains its principal place of business at

\_\_\_\_\_  
(Street Address, City, State, and Zip Code)

hereby applies for approval to acquire control of

\_\_\_\_\_  
(Name of Licensed Money Transmitter)

which maintains its head office at

\_\_\_\_\_  
(Street Address, City, State and Zip Code)

pursuant to Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code.

The attached documents and information are hereby referred to and by this reference are incorporated herein.

The undersigned declares under penalty of perjury under the laws of the State of California that the information contained in this application, including the attached information and documents, is true and correct and that that this declaration is executed at \_\_\_\_\_

(Place of Execution)

on \_\_\_\_\_  
(Date of Execution)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1804, Financial Code.

**§95.6090. Appointment of Commissioner of Financial Institutions as Agent for Service of Process.**

The following is an illustration of Department Form 2122.

Form 2122 ( /99)  
California Department of Financial Institutions

**APPOINTMENT OF COMMISSIONER OF FINANCIAL INSTITUTIONS AS  
AGENT FOR SERVICE OF PROCESS**

The undersigned, \_\_\_\_\_, a corporation  
(Name of Appointing Party)  
duly organized and existing under the laws of the State of \_\_\_\_\_  
(Name of State)  
and duly authorized to do business in the State of California, in accordance with Financial Code Section 1802.8,  
hereby irrevocably appoints the Commissioner of Financial Institutions of the State of the California and his or her  
successor from time to time in office to be \_\_\_\_\_'s agent to  
receive service of any lawful  
(Name of Appointing Party)  
process in any non-criminal judicial or administrative proceeding against  
\_\_\_\_\_'s successor, executor or  
(Name of Appointing Party)  
administrator, which arises under Chapter 14 of Division 1 of the Financial Code, or any regulation or order issued  
thereunder, with the same force and validity as if served personally on the company.

In witness whereof, the corporation has caused this Certificate to be signed on its behalf and its  
corporate seal affixed this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
(Name of Applicant)  
By \_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Name and Title)

[Corporate Seal]

**CERTIFICATE OF ACKNOWLEDGEMENT**

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
Name and Title of Officer

personally appeared \_\_\_\_\_  
\_\_\_\_\_,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in his or her authorized capacity, and that by his or her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)

**Note:** Authority cited: Section 215, Financial Code. Reference: Section 1802.8, Financial Code.

**§95.6080. Surety Bond Form for Licensed Money Transmitter.**

The following is an illustration of Department Form 2120:

Form 2120 ( /00)

California Department of Financial Institutions

**BOND NO.** \_\_\_\_\_

**STATE OF CALIFORNIA**

**DEPARTMENT OF FINANCIAL INSTITUTIONS**

**BOND OF LICENSED MONEY TRANSMITTER  
(Financial Code Section 1812)**

The premium on this bond is \$ \_\_\_\_\_ for the term \_\_\_\_\_

**KNOW ALL MEN BY THESE PRESENTS:**

That \_\_\_\_\_, whose address is

\_\_\_\_\_,  
as Principal, and \_\_\_\_\_, a corporation organized under  
the laws of the State of \_\_\_\_\_, and authorized to transact a general surety business in the  
State of California, as surety, are held and firmly bound unto the State of California in the penal sum of  
\_\_\_\_\_ Dollars (\$\_\_\_\_\_) for the payment of which well  
and truly to be made we bind ourselves, our heirs, administrators, successors and assigns, jointly and severally,  
firmly by these presents.

WHEREAS, the Principal has applied for a license to engage in the business of receiving money for the  
purpose of transmitting the same or its equivalent to foreign countries as described in Chapter 14 (commencing  
with Section 1800) of Division 1 of the California Financial Code.

WHEREAS, under Section 1812 of the Financial Code, the Principal, as licensee, may deliver a bond in  
lieu of the deposit of cash or securities required pursuant to Section 1811 of the Financial Code, and in an  
amount not less than the amount of the deposit of cash or securities required, and this bond is executed and  
tendered in accordance therewith.

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if the Principal  
shall timely and properly deliver all moneys received by it or by its agents for the purpose of transmitting the  
same or its equivalent to foreign countries, then this obligation shall be void; otherwise this obligation shall remain  
in full force and effect.

This bond specifically covers all moneys received in California for transmission to foreign countries.

This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which license is granted and each and every succeeding license period or periods for which said Principal may be licensed, after which liability hereunder shall cease except as to any liability or indebtedness therefore incurred or accrued hereunder.

Action on this bond may be instituted subject to the provisions of Section 1813 of the Financial Code.

The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

This bond may be cancelled by the Surety in accordance with the provisions of Section 996.310 et seq. of the California Code of Civil Procedure.

This bond is executed by the Surety to comply with the provisions of Division 1, Chapter 14, of the Financial Code and of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and said bond shall be subject to all of the terms and provisions thereof.

This bond to become effective

\_\_\_\_\_

\_\_\_\_\_  
(Name of Surety)

\_\_\_\_\_  
(Address)

I declare under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of attorney and that this declaration was executed on \_\_\_\_\_, in \_\_\_\_\_.

(Date signed)

(City and State)

\_\_\_\_\_  
(Signature of Attorney-In-Fact)

\_\_\_\_\_  
(Printed or Typed Name of Attorney-In-Fact)



**CALIFORNIA DEPARTMENT OF FINANCIAL INSTITUTIONS SPECIAL LICENSEES**

Report of Condition of \_\_\_\_\_  
(Licensee's Name and Number)

ADDRESS \_\_\_\_\_  
(City) (State)

as of close of business on \_\_\_\_\_ 20\_\_\_\_

**ASSETS**

**DOLLAR AMOUNTS  
IN THOUSANDS**

1. Cash on Hand and in Bank .....
2. Due from Agents.....
3. Cash in Transit.....
4. Investments (including Government Securities).....
5. Accounts Receivable.....
6. Notes Receivable .....
7. Premises, Furniture, Fixtures, and Equipment.....
8. Investments in Subsidiaries Not Consolidated.....
9. Other Assets (including \$\_\_\_\_\_ intangibles).....
10. TOTAL ASSETS.....

0

**LIABILITIES**

11. Accounts Payable .....
12. Notes Payable .....
13. Outstanding Transmission Liability (including \$\_\_\_\_\_ CA).....
14. Outstanding Payment Instruments (including \$\_\_\_\_\_ CA).....
15. Outstanding Travelers Checks (including \$\_\_\_\_\_ CA).....
16. Long Term Notes and Debentures.....
17. Other Liabilities .....
18. TOTAL LIABILITIES.....

0

**SHAREHOLDERS' EQUITY**

19. Preferred Stock -- (Number shares outstanding \_\_\_\_\_).....
20. Common --(Number shares authorized \_\_\_\_\_)  
(Number shares outstanding \_\_\_\_\_).....
21. Paid-in Capital in Excess of Par.....
22. TOTAL CONTRIBUTED CAPITAL.....
23. Retained Earnings.....
24. Current Profit and Loss.....
25. TOTAL SHAREHOLDERS' EQUITY.....
26. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....

0

OTHER INFORMATION

- 27. Number of Branches in California.....
- 28. Number of Agents in California.....
- 29. Number of Branches of Agents in California.....
- 30. Total dollar amount and number of transactions originated in California to each country to which that the company transmitted money during the quarter:


COUNTRY	TOTAL DOLLAR AMOUNT	NUMBER OF TRANSACTION
TOTAL		

COUNTRY	TOTAL DOLLAR AMOUNT	NUMBER OF TRANSACTION
TOTAL		

IMPORTANT: ROUND FIGURES TO NEAREST THOUSAND DOLLARS

#### ASSETS

Cash on Hand and in Bank - Include cash on hand, demand and time balances of accounts at federally insured financial institutions in the United States and banks in foreign countries.

Due from Agents – Include all moneys owed to licensee from receiving and paying agents.

Cash in Transit – Include all moneys forwarded to paying agents, but not yet received by beneficiaries.

Investments (including Government Securities) – Include all investments in government securities, marketable securities, bankers acceptances and commercial paper.

Accounts Receivable – Include all accounts receivable due from parties other than receiving and paying agents. Deduct reserves held for losses.

Notes Receivable – Report all loans regardless of purpose or collateral, including loans to shareholders. Deduct reserves held for losses.

Premises, Furniture, Fixtures and Equipment - Report the book value, less accumulated depreciation or amortization of all premises, furniture, fixtures and equipment purchased directly or acquired by means of a capital lease. Include any real estate purchased and intended to be used for future expansion. Do not deduct mortgages or loans on any such property. These should be reported in Liabilities.

Investments in subsidiaries not consolidated - Report the amount of the company's investment in the stock of all subsidiaries that have not been consolidated.

Other assets - Report all assets not included above.

TOTAL ASSETS - Total lines 1 through 9.

#### LIABILITIES

Accounts Payable – Report all accounts payable including moneys owed to receiving and paying agents.

Notes Payable – Report all notes payable, including mortgages and loans secured by real estate.

Outstanding Transmission Liability – Report licensee's total amount of transmissions not yet paid to beneficiaries. Enter total originating in California in parentheses.

Outstanding Payment Instruments - Report licensee's total amount of outstanding payment instruments. Refer to FC Section 33560(e). Enter total originating in California in parentheses.

Outstanding Travelers Checks –Report licensee's total amount of outstanding travelers checks. Refer to FC Section 1852(f). Enter total originating in California in parentheses.

Long Term Notes and Debentures – Include mortgages and other real estate secured loans as well as any notes due in excess of one year.

Other liabilities - Report all liabilities not included above.

TOTAL LIABILITIES - Total lines 11 through 17.

## SHAREHOLDERS EQUITY

Preferred stock - Report the amount of preferred stock outstanding and number of shares outstanding on their respective lines.

Common stock - Report amount outstanding, number of shares authorized and number of shares outstanding on their respective lines.

Paid in Capital in Excess of Par - Include amounts received in excess of par or stated value of stock.

TOTAL CONTRIBUTED CAPITAL - Total lines 19 through 21.

Retained Earnings - Report the amount of retained earnings, not including current profit and loss.

Current Profit and Loss – Report amount of profit or loss for fiscal year to date.

TOTAL SHAREHOLDERS EQUITY - Total lines 23 and 24.

TOTAL LIABILITIES AND CAPITAL ACCOUNTS - Total lines 18 and 25.

## SUPPORTING SCHEDULE

SCHEDULE OF INVESTMENTS INCLUDING GOVERNMENT SECURITIES - Detail items which comprise line 4.

SCHEDULE OF OTHER ASSETS - Detail items which comprise line 9.

SCHEDULE OF OTHER LIABILITIES - Detail items which comprise line 17.

**CONFIDENTIAL**

## CALIFORNIA DEPARTMENT OF FINANCIAL INSTITUTIONS

Report of Income of \_\_\_\_\_  
 (Licensee's Name and Number)

ADDRESS \_\_\_\_\_  
 \_\_\_\_\_ (City) \_\_\_\_\_ (State)

as of close of business on \_\_\_\_\_ 20\_\_\_\_

## DOLLAR AMOUNTS IN THOUSANDS

	Quarter Ended	Year to Date
1. REVENUES		
a. Fee Income from Transmission of Money Abroad and Issuance of Payment Instruments and Travelers Checks.....		
b. Interest and Dividends.....		
c. Foreign Exchange Gain (Loss).....		
d. Other Income (complete schedule on next page).....		
e. TOTAL REVENUE (sum of lines 1a, through 1d).....	0	0
2. EXPENSES		
a. Salaries and Employee Benefits.....		
b. Agent Fees.....		
c. Rent.....		
d. Interest Expense.....		
e. Depreciation.....		
f. Communication Expense.....		
g. Professional Services.....		
h. Marketing and Promotion.....		
i. Insurance Expense.....		
j. Taxes and Licenses.....		
k. Other Expenses (complete schedule on next page).....		
l. TOTAL EXPENSES (sum of lines 2a, through 2k).....	0	0
3. Income from Continuing Operations before Income Tax.....		
4. Income Tax.....		
5. Income from Continuing Operations.....		
6. Discontinued Operations, Net of Tax Effect.....		
7. Income before Extraordinary Items.....		
8. Extraordinary Items, Net of Tax Effect.....		
9. Net Income (Loss).....		

The undersigned \_\_\_\_\_ and \_\_\_\_\_  
(Name and Title) (Name and Title)

of the above named licensee, each declares, for himself alone and not for the other:

I have personal knowledge of the matters contained in this report and I believe that each statement in said report is true. Each of the undersigned, for himself alone and not for the other certifies under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_  
(Date) (City) (State)

Signature \_\_\_\_\_ Signature \_\_\_\_\_

# CONFIDENTIAL

## OTHER INCOME

	Quarter Ended _____	Year to Date
TOTAL (Same as Line 1d)	0	0

## OTHER EXPENSES

	Quarter Ended _____	Year to Date
TOTAL (Same as Line 2k)	0	0

## INSTRUCTIONS FOR THE REPORT OF INCOME

### 1. REVENUES

- a. Fee Income from Transmission of Money Abroad and Issuance of Payment Instruments and Travelers Checks – Include fees, service charges and commissions for transmission of money abroad, sale of payment instruments and travelers checks only.
- b. Interest and Dividends – Include interest and fee income on loans, interest income on deposits with financial institutions and interest on investments (including government securities).  
  
Do not include interest income from advances to, or obligations of, principals, parent companies, subsidiaries or affiliates. Report under 1(d), other income.
- c. Foreign Exchange Gain (Loss) – Include revenue earned, or loss incurred, from the buying and selling of foreign currency. Net gain (loss) from foreign currency transactions including foreign exchange trading.
- d. Other Income – All income not included in 1(a) through 1(c). Includes fee income for sources of business other than the transmission of money abroad or the sale of payment instruments and travelers checks.
- e. Total Revenue – The total of items 1a through 1e.

### 2. Expenses

- a. Salaries and Employee Benefits – Salaries and employee benefits for officers and employees.
- b. Agent Fees – Fees paid to the agent for services rendered on behalf of the licensee.
- b. Rent – Expenses for the use of premises, equipment, furniture and fixtures.
- c. Interest Expense – Include interest on deposits, mortgages, capital notes, borrowings from financial institutions and obligations on capitalized leases.  
  
Do not include interest on borrowings from principals, parent companies, subsidiaries or affiliates. Report under 2k.
- d. Depreciation – Expenses related to the write-off of nonearning assets in accordance with generally accepting accounting principles.
- e. Communication Expenses – Expenses related to telephone, telex, telegram, postage, and any other related expenses.
- f. Professional Services – Expenses related to legal, accounting, consulting, examination fees, and any other related expenses.



**INSTRUCTIONS FOR THE REPORT OF INCOME**  
**(Continued)**

- g.      Marketing and Promotion – Expenses related to advertising and the selling of goods and services.
  - h.      Insurance Expense – Premium expense for fidelity insurance, surety bond, directors and officers' liability insurance and life insurance policies for which the licensee is the beneficiary.
  - i.      Taxes and Licenses – Expenses related to payroll and property taxes and regulatory and automobile licenses.
  - j.      Other Expenses – All other operating expenses not included in items 2a through 2j.
  - k.      Total Expenses – Total of items 2a through 2k.
- 
- 3.      Income from Continuing Operations before Income Taxes – Item 1e minus item 2l.
  - 4.      Income Tax – Federal and state income tax on item 3.
  - 5.      Income from Continuing Operations – Item 3 minus item 4.
  - 6.      Discontinued Operations, Net of Tax Effect – Income or loss from the sale of a segment of the business.
  - 7.      Income before Extraordinary Items – The sum of items 5 and 6.
  - 8.      Extraordinary Items, Net of Tax Effect – Material, unusual, nonrecurring or infrequent items.
  - 9.      Net Income (Loss) – The sum of items 7 and 8.

**SCHEDULES**

Other Income – Detail items which comprise line 1.d.

Other Expenses – Detail items which comprise line 2.k.